



# CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Special Meeting  
October 13, 2015

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:05 P.M.

Present: Berman, Burt arrived at 6:20 P.M., DuBois, Filseth, Holman, Scharff, Schmid, Wolbach arrived at 6:11 P.M.

Absent: Kniss

Mayor Holman: To mention something ahead of time, we will be adjourning this evening's meeting in honor of Former Mayor Dick Rosenbaum. We received word over the weekend that he passed away on Sunday. We'll hold this meeting in his honor.

## Oral Communications

Mayor Holman: I have one card here for Oral Communications. This is the time when anyone who would like to speak to an item that's not on the agenda may do so. Sea Reddy, you'll have three minutes.

Sea Reddy: Thank you, Mayor. I'd like to thank you, Mayor Holman, for coming to College Terrace event we had on Sunday. It was very nice of you to recognize our little community we love. I appreciate you being there and sharing your views and future with Palo Alto. Thank you. The second item is something of interest to all of us, the High Speed Rail. I'm looking a little beyond our Palo Alto, but more towards our geographical area of 24th District for good reasons.

Mayor Holman: Do note that is a part of the agendized items, so is this separate from ...

Mr. Reddy: No. I just want to say one thing, that I'd like to oppose all of the high rail thing. We don't want to make Palo Alto anything close to having high rail. We need to stay where we are, how we do whatever we do here. I just wanted to say that. The third thing is I'd like Palo Alto to recognize a significant change in the industry. Dell is buying EMC which owns 80 percent of VMware. VMware is a very fine company in this town. I think we need to recognize them for their innovation and intellectual and a

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lot of jobs, a lot of revenues for us in the City of Palo Alto. That's all I wanted to say. Thank you.

Mayor Holman: Thank you. I see no other—do we have one more card for Oral Communications? I don't have your card to state your name, sir.

Roland LeBrun: My name is Roland LeBrun. I'm from San Jose. I just got here on Caltrain. The reason I'm addressing you is not on the agenda. There was a meeting at noon that basically introduced basically the future of rail. The gentleman who was speaking there, I've never met him before. He comes from, I think, Czechoslovakia. He's actually is the chief executive. He runs a company called LEO Express. You can go and Google it right now; you'll find it. His name is Leos (inaudible). I haven't quite caught his last name yet. The bottom line is that gentleman is actually right now running his own trains in four different countries in the Eastern Block. He's actually just started in Ukraine, believe it or not. He's profitable, and he's got investors right behind him. He's here right now. He's on his way, I think it's tomorrow, on a meeting with Jim Hartnett. He's going to ask Jim and say, "Jim, would it be okay if I came and ran my trains here in the Peninsula, and I'm willing to pay you \$3 million a year?" Anyway, I thought I'd share that to you tonight. If you hear about this, which no doubt you will hear, you may actually like to go and have a word with Jim. Tell Jim, "Why don't you look at it? This may actually be a jolly good idea." By the way, his trains run on time. Thank you.

Mayor Holman: Thank you. We have no other cards for Oral Communications. Stephanie Munoz also would like to speak under Oral Communications.

Stephanie Munoz: Thank you. I know that your big thing this evening is going to be how to cope with High Speed Rail. I don't want to interfere with that, but I had a few last thoughts, last ditch efforts, of how it might be possible not to have it inflicted on us. One of the thoughts was this. San Francisco, as you may know, is at the head of the Peninsula. I was born in San Francisco, and I lived there through high school, then I went to college in Seattle. In order to get to Seattle from San Francisco, you have to get on the ferry and go across to Oakland, because there is water in between and you cannot run a railroad track. It seems to me that we might have some allies in the matter of running that railroad around the east of the Bay up through Oakland. We might have some allies with the Senators and Congressmen from the State of Washington and the State of Oregon. Patty Murray is a very influential Senator. These people are not without resources. It just seems to be more useful to have that train go all the way up the Pacific Coast and just end at San Francisco, especially since we

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already have a train that goes from San Jose to San Francisco. It's a train that could use the business. If in fact a lot of people are going to take this train, which I kind of doubt, but if in fact a lot do, then we, we the people of Santa Clara and San Mateo County, really could use those passengers to bolster our prices. The other thing is this. I don't know why they can get away with having a project that is obviously more than the voters voted for, but they can. There must be a lot of power there. I wonder if all the rich cities of the Peninsula, and we are rich, could get together and say, "You unions are looking avariciously at \$1 billion worth of work to do." Suppose we came up with all of this together, how about a half million dollars at least that we could put together on our resources and Federal and State money. Maybe not State since the Governor seems to be in favor of this train. We could put together enough money to do lots and lots of housing, of low-income housing, that would provide those jobs that seem to be the engine—I don't know. It seems to me that must be the engine that is making this thing go. Thank you.

Mayor Holman: Thank you. That concludes Oral Communications.

## Action Items

1. Discussion and Direction to Staff on: 1) The California High Speed Rail Authority's Plans to Proceed With Environmental Clearance for Their San Francisco to San Jose Segment; 2) Next Steps Regarding Rail Grade Separations in Palo Alto and Authorization for Staff to Pursue Outside Funding for Both Grade Separations and At-Grade Crossing Improvements; and 3) The City's Interests and Strategies Regarding the Proposed Santa Clara County Transportation Sales Tax Measure, Including a Potential City of Palo Alto Transportation Funding Measure or Other Funding Strategy.

Mayor Holman: We move now to our one and only Action Item, which is comprised of three different parts. Council Member Filseth, you have a statement to make.

Council Member Filseth: Yes, thank you very much. It happens that I live within 500 feet of a grade crossing in Palo Alto. I have been advised that since it's not clear at this time whether there is an impact on the value of my house if grade separation proceeds, that I should recuse myself from the first two items. I plan to do that. I'll come back for the third. In the meantime, we're going to consult the FPPC for further clarification on this point. Thank you. Somebody, if you'd give me a call when we finish the second item.

Council Member Filseth left the meeting at 6:13 P.M.

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Mayor Holman: Thank you. We will not forget you. Staff, you have a presentation? Jim, do you have some comments?

James Keene, City Manager: Yes. Thank you, Madam Mayor, Council Members. We're here in a Special Meeting tonight for two reasons, two drivers at least. One, of course, last month you heard from the Silicon Valley Leadership Group which was sort of in the lead role along with VTA on exploring what could comprise the 2016 sales tax ballot measure to be used for transportation. Pretty much concurrent with that in September, as the Staff Report indicates, we were all surprised to sort of see High Speed Rail sort of burst back upon the scene. Working with the Mayor and Council's interests overall thought there was some urgency and timeliness to us putting together a Special Session on this so that the Council could not only discuss these issues, but begin to express yourself in the various forums. That's why we're here. I think it'll be clear when the Staff makes its presentation that through both of those matters, both the High Speed Rail issue, of course Caltrain itself, and then your clear interest on any ballot measure and transportation improvements needing to go towards Caltrain that the question of grade separation sort of sits at the center of all of those. It was a good opportunity to do this. I'm going to turn it over to Staff. I think you obviously know Richard and Ed Shikada. I did want to just formally again introduce Joshua Mello who is the City's new Chief Transportation Official. I know he's been out and about as it relates to the Arastradero Project. This is the first specific item and the sole work session on this, and Josh will have a key part in this, so we want to welcome him formally and happily to the City family. Thank you. I'll turn it over to Ed.

Ed Shikada, Assistant City Manager: Very good. Thank you, Jim. Once again, Ed Shikada, Assistant City Manager. I and Josh Mello will do the primary upfront briefing for the Council, hopefully not giving any signals that two of your newest Staff members are providing the briefing on an issue that has been around for a few years and clearly has both complexities to it as well as some extensive issues. We will provide that upfront briefing while, obviously, being simply representative of a deeper team as well as, quite frankly, also representing between the two of us decades of experience relating to transportation projects and regional issues. That said, I will provide a brief intro and perhaps set a foundation for the Council's discussion this evening. On our first slide, simply to provide an overview. As was noted, it's one agenda item. We've split it into three specific topics. We'll cover all of them in this presentation, then give the Council an opportunity to discuss perhaps the first two before moving on to the third. The first being Palo Alto's response to the renewed activity on California High Speed Rail Authority's plans to proceed with the segment between San Francisco and San Jose. Second, to seek Council's feedback on next steps

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related specifically to the grade separations potential in Palo Alto, both in terms of the resources necessary to proceed to the next steps in the design process as well as the necessity of developing funding strategies for the grade separations as Public Works projects. Third, an overall strategy as it relates to the VTA sales tax proposal and any other proposals that the Council might want to further consider, including local funding measures. Next slide. In terms of the High Speed Rail Authority's San Francisco to San Jose project segment, as the City Manager noted, this is the immediate impetus and rationale for wanting to set up a Council Special Session on this topic. Recently, learned that the High Speed Rail Authority has announced their desire to begin the environmental clearance process with a schedule that would call for the release of a Draft Environmental Impact Report in the winter of 2016 with the potential for finalization of the EIR to be certified in the summer of 2017. This relatively short timeframe does require us to begin our activity and preparation for that to begin immediately, with the blended system, as it's been referred to, of High Speed Rail and Caltrain sharing tracks as the proposed project concept. I would note that in the process of going through the environmental review, there have been a number of unresolved issues that we will need to keep an eye on, including the potential location of a mid-Peninsula station as well as a passing track somewhere along the segment that will once again require ongoing both monitoring as well as potential advocacy as the particulars of the project become clear. Next slide. In terms of the blended system, this had been approved by Caltrain and the High Speed Rail Authority in 2013. There is funding being provided by the High Speed Rail Authority for the Caltrain electrification which is a necessary precursor to the blended operation, and noting that the total cost of the electrification project being \$1.7 billion. This is a consequence after a number of different alternatives for the High Speed Rail project were considered. In terms of the implementation of this blended system, the sequence that has been discussed previously and that we are anticipating is that Caltrain, as part of its electrification project, is undergoing a separate environmental review, separate from the High Speed Rail project and separate construction, both processes in this timeframe. At this point, Caltrain has certified its EIR and the again High Speed Rail project is ongoing with the expectation that Caltrain is proceeding with its design/build contract procurement. Next slide. Here in Palo Alto, the prior work in evaluating the potential impacts of the High Speed Rail project in Palo Alto included work in preliminary design for grade separations with last year Hatch Mott MacDonald providing conceptual grade separation alternatives. We do have some graphics that are available should the Council want to get into the particulars of grade separations. There are three particular currently at-grade crossings; Churchill, Meadow and Charleston. Three slides have some tables to them. They're again simply intended to provide some summary information. We can provide more detail

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if Council would like to get into it in your discussion. For now, let me just point out a few of the key points on here. On this table, showing the implications of a trench, where the rail tracks would be trenched below grade. A key consideration shown on the first line of trench grade is the maximum slope at which the rail would be accommodated, ultimately a design criteria for the rail system itself. That maximum ranging from a 1 percent maximum grade to a 2 percent. You can see the cost implication in particular of needing to hold to a maximum 1 percent grade being an over \$1 billion estimated cost for the trench through Palo Alto at the three crossings. If the alternative, a 2 percent maximum grade, were to be allowed as a part of the design of the trench grade separation, that price would be potentially reduced significantly to about 488 million. Next slide. Another alternative that's been looked at is to lower or depress Alma Street. This table shows a scenario in which the street itself is lowered but the turns are not accommodated, so the right-of-way property acquisition would be reduced by not needing to acquire areas for left and right turns. This would result in estimated costs, as you see, on the three crossings from Churchill to Charleston ranging from \$90 to over \$100 million each for a total just under \$300 million. Also notable that property acquisitions, both full and partial, would total nearly 60 properties. Next slide. This Table 3 indicates a scenario in which Alma is lowered, depressed, but where turn movements are accommodated. Associated additional property acquisitions are necessary. In that case, the total cost for the three crossings approaching \$500 million with significantly more properties impacted, totaling about 75 properties in full and partial property acquisition. That covers the specifics of the grade separation concepts. Let me turn it over to Josh Mello to talk a bit about some of the funding options.

Joshua Mello, Chief Transportation Official: Thank you. Joshua Mello, Chief Transportation Official. There are some preexisting programs both at the State level and the Federal level that will help fund a portion of both the design work and the construction of grade separations or the improvement of existing at-grade crossings. The first of which we wanted to call your attention to is Section 190. Section 190 is a funding allocation that provides money to local agencies to separate existing at-grade crossings. Every two years there's a call for nominations from the California Public Utilities Commission. That call actually just happened in September, so there's an open call on the street right now for nominations to this program. It does require a 10 percent local match, and this funding is strictly for construction, not for design work. Just a point of interest is San Mateo County actually has dedicated 15 percent of its county sales tax revenue to planning and designing grade separations in order to access this pot of funding. A project is eligible for an allocation up to 15 million over a three-year period; that's 5 million a year per grade separation. If you combine grade separations, you

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can actually access up to 20 million over a four-year period. If we elected to submit a nomination form this year, we would need to resubmit every two years until we were ready to construct a project—until we reached the top of the list and we were ready to construct a project. The next pot of funding that we wanted to give you an overview of this evening is Section 130. This is a program that is focused on the reduction of hazards at existing at-grade crossings. It's also administered by the CPUC, but Caltrans plays a role in this as well; they help to scope the project, distribute the funds, and actually administer the projects during construction. In September, our Churchill Avenue crossing was identified as a potential candidate for Section 130 funds. Subsequently we actually met with Caltrans Staff onsite as well as CPUC Staff and looked at some of the issues that are occurring out there. We submitted some video that we had captured of the dismissal at the high school in the afternoon. Some of the major concerns that were identified by the CPUC, much higher than normal bicycle and pedestrian traffic, some of the highest numbers along the entire Caltrain corridor for bicycle and pedestrian traffic. There's regular queuing that's occurring on the tracks themselves of motorists that are traveling eastbound being stopped at the traffic signal at Alma Street with nowhere to queue, and they end up between the gates when the gates come down as a train passes. We're currently developing a scope of work in cooperation with Caltrain that needs to be submitted to CPUC. We've put together some draft recommendations that would deal with both the large number of bicyclists and pedestrians as well as the motorists queuing on the tracks themselves. Some of the things we're looking at are a pre-signal that would actually stop motor vehicles before they get to the track bed, and it would be coordinated with the signal at Alma. We're looking at widening the bicycle and pedestrian crossing on the north side of Churchill that would provide additional queuing space. A lot of the students end up queuing in the track area while they wait for the signal at Alma, so we're hoping to create more of a queuing area for them. Some other improvements related to signal timing and signal phasing at the Alma Street signal. We've scheduled a neighborhood meeting October 22nd to get some community involvement and some neighborhood feedback on some of the preliminary concepts. This project ties in very closely with the Churchill Avenue Phase I project for which we have an adopted concept plan, and we're continuing to advance final design. We'd like to tie the two of them together if possible and create a seamless bicycle and pedestrian, motor vehicle connection along the Churchill Avenue corridor.

Mr. Shikada: Then too perhaps focus on the local angle, both countywide as well as locally here in Palo Alto. As City Manager pointed out last month, the Council discussed the concept of the 1/2-cent countywide sales tax that's being discussed by the Silicon Valley Leadership Group and VTA and others and noted at that point that there's an estimate of \$6 billion countywide that

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could be generated over a 30-year life of a 1/2-cent sales tax. There have been continued discussions of some more specificity, although certainly at this point really perhaps at best giving an indication of what VTA Staff has been thinking in order to start putting together recommendations or proposals for broader feedback. As noted here on this slide, a current discussion of total Caltrain funding in the range of 750 million to 1 billion as a revenue allocation from a countywide sales tax. Once again, I would note that that's really not reflecting any policy direction other than again VTA Staff looking to get some feedback on this among a number of other potential allocations that could be generated by the sales tax. Next slide. Actually perhaps before moving off of VTA, I would note that I believe at places you received a copy of the letter that was transmitted by the ten cities to VTA from the North County and West Valley in order to reflect a desire and expression of the importance of continued comprehensive planning to be part of the funding program as it goes forward. Finally, the last piece of data we wanted to provide to the Council for your consideration is some math behind the potential for local funding. Here noted simply for the purpose of calculation that in general terms that for every \$1 million of annual revenue, whatever the source of an annual ongoing revenue was identified for a 30-year period, that there's approximately 14 million that could be generated in net bond proceeds for the purpose of upfront funding of a capital project. As a result, again simply to reflect some math and to give the Council a sense of order of magnitude, Staff took a look at a 30-year 1/2-cent locally within the City would generate between \$12 and \$13 million annually. Again, extrapolating that out, generate roughly \$179 million in bond revenue that could be available for capital projects. Final slide, simply back where we started. To recap items and topics in particular that Staff thought might be helpful to identify areas for Council direction. First, on the City's response and participation on the High Speed Rail environmental process. Second, some of the key next steps that we see as important to position the City in being able to seek funding for grade separation as well as have continued evaluation of options and better sense of the implications of grade separation projects. Finally, the options related to the VTA sales tax, both a legislative advocacy position as well as options that could be considered locally within the City. That concludes our Staff briefing. Turn it back to the City Manager.

Mr. Keene: Thank you, Ed and Josh and Richard, for that. If I could just make a couple of follow up points. First of all, we've been scampering to respond to both the re-emergence of High Speed Rail and then the implications or the need to be thinking about cobbling together funding. As you can tell by the Staff Report, we actually put a lot of real estate into the Staff Report related to the Section 190 process and the Section 130 process. Our own assessment at this point, after having really spoken to Caltrain and



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also our understanding really is how the process works. It's a two-year sort of cycle process to get a submission on the Section 190 funds. One would take a tremendous amount of work truncated in a short period of time with the fact that to be really eligible to receive it anyway you've got to have a project way further down the road than we are right now. We'd be just resubmitting. Our recommendation to the Council would be to acknowledge that this is a small but necessary funding source that is available to us, but that we would not pursue a nomination right now, but we would not want that in any way to be interpreted as any sort of signal that we're as a community not committed to grade separating our interchanges and pursuing funding in any way. Secondly though, we would say that it's worthwhile to pursue the Section 130 funds, and that's why with the community meetings and all of those things are developed, because they really deal with at-grade crossings and safety improvements that would make things better for our City. Lastly, I just would point out that I think we made a mistake in our report by succumbing a little bit to maybe the initial competition in the VTA measure of all of the different demands that are potentially out there. By buying into it all that, there is a limitation on how much of the sales tax revenue we might be able to achieve as a City. I apologize to the Council for any sense that we are limiting ourselves at this stage. There are too moving factors in the mix as to what the emphasis will be on a VTA tax measure. We don't want to short-cut that. Lastly, Molly, I do believe that we did list the title for this discussion under Number 3 broadly enough that if there are other funding strategies or measures that the Council wants to discuss rather than just either the VTA measure or a local sales tax measure, that this is agendized in such a way to either have those discussions and/or direct us to look at some other options. That's all I have to report.

Mayor Holman: Thank you. I see there are some members of the public who want to speak to this item. I have no cards yet.

Molly Stump, City Attorney: Madam Mayor, while you're preparing for public comment, may I make a comment?

Mayor Holman: Please.

Ms. Stump: I often find myself in the position when there are recused Council Members of recalling the Council to their mind that there are members who are not with us because of recusals. This item is agendized with three parts called out. It's agendized as one item to allow the Council a full discretion to cross the issues and address broadly the interlocking aspects of the item. We do believe that to the extent that the Council can address the specific county and other local funding measures as a somewhat

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separate item at the end, that would allow Council Member Filseth, who's otherwise recused, to rejoin the Council. I just wished to make that comment. Thank you.

Mayor Holman: Took the words right out of my mouth.

Council Member Wolbach: (inaudible)

Mayor Holman: Council Member Wolbach has a question.

Council Member Wolbach: Sorry, just a quick follow-up question about that. Because a significant portion of the discussion around the VTA measure may incorporate discussion about grade separations, is there a way that we can handle that that would still allow Council Member Filseth to return to the conversation?

Ms. Stump: Thank you, Council Member Wolbach. The initial conversation around the county measure that the Council had a few weeks ago was at a very high level in terms of looking at a potential county measure and funding for Caltrain generally, which would include a variety of capacity improvements and other safety measures, quality of life measures such as grade separation. At that level of generality, Council Member Filseth could join the conversation. If the Council is at a point where it wishes to be more specific as to particular crossings and discuss trading off different priorities, then the matter looks different and Council Member Filseth will probably not rejoin at this stage.

Mayor Holman: I have four cards at this moment with another one or two coming. Martin Sommer to be followed by Stephen Rosenblum. You'll have three minutes each please.

Martin Sommer: My name is Martin Sommer. From what I understand, we're still on Item 1, and I had put down Item 2. Should say Item 2 at the top.

Mayor Holman: You can speak to any of the—it's one action item, and so you can speak to any of the three parts that you wish.

Mr. Sommer: Thank you. Given that. My name is Martin Sommer. I'm a Palo Alto resident. For any of you who do not know or who were not here at the time, I'm actually the originator of the "blended" process. In 2009 Cubberley Center first community meeting, a small group session, I proposed the blended system. I threw it out there. It took root. Here we are six years later. The reason I say that is that I have two other ideas to throw out there. I wanted to show the power of a basic idea and how far it

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could really go. Two more ideas. By no means am I proposing this, but if Palo Alto goes in the path of undergrounding the railroad, there's two things that I would propose. Both of them have to do with economy of scale. The first one is that you share one project and all of its associated costs with the three cities, Palo Alto, Menlo Park and Atherton. In essence, undergrounding the railroad from the borderline of Redwood City all the way to the borderline of Mountain View. It's purely economy of scale. The second one is—this is more a negotiation point—to price out, and make sure you hear me right, a two-track underground option, really truly two-track—the ones that High Speed Rail hates—with the option of splitting the costs of a four-track option with High Speed Rail, assuming they decide to contribute money. Cost it out as two, give them the option to split the cost. If they do, make it a four. All of a sudden you're sharing the cost of the endeavor. Again, both of these are economy of scale. I'm just throwing out these ideas for in the future. I encourage you to think about it. Thanks. Bye.

Stephen Rosenblum: Hello. My name's Stephen Rosenblum. I'm a Palo Alto resident as well. I've been here many times on issues of Caltrain and High Speed Rail in the past. I'm very happy to see High Speed Rail is coming. I'd also like to commend Council and Staff for their strong support of grade separation. I think it's a critical issue for the future of Palo Alto. Whatever gets built will be with us for 100 years into the future. I don't see Palo Alto with its high real estate values having trains on the surface with more noise and rattling noise, trains running at 110 miles an hour, starting at two trains per hour in each direction. If it's successful, it could be many more, and the gates will be down all the time. We know already from the Caltrain studies for electrification that just adding one more train per hour in the rush hour essentially puts the gates down 90 percent of the time at some of our crossings. When High Speed Rail comes, people won't be able to cross the tracks at all. I think there's no sense in an at-grade High Speed Rail. I think Palo Alto should insist that there be grade separation. I think trenching to me certainly is the best option. The question of whether it's an open trench or a covered trench should be thought about. With a covered trench, you can recover the real estate over the trench. Considering that Palo Alto real estate is \$20 million an acre, if that money could be recaptured through some agency and used for commercial or residential development, bicycle paths, something like that, I think that would be really a great improvement to the City's environment rather than more noise and more detriment. Thank you.

Neil Shea: I first moved to the City 30 years ago. I work in high tech; I live Downtown here. I want to commend the Council and the Staff for all of your work on grade separations. I think it's very timely. I think we're forming a consensus that we need to have grade separations, both because of the

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increasing volume of how we use this vital railroad line and because we want to be able to get across town, both pedestrians and cars. I do think it's important to be cost conscious here. I think some of the ideas suggested are quickly going to go into the billions of dollars. I don't believe that, as much as we need a fair share of any new county tax revenue and as much as it probably doesn't make sense to take expensive BART to Santa Clara, we need to be very cautious and very reasonable. I'm concerned that last year's study explicitly gave instructions not to look at a hybrid crossing option. Where I am, right by the Palo Alto Medical pedestrian crossing, the train runs about 3 feet above grade. Just over the creek in Menlo Park, the train runs about 6 feet above grade. When you start to make scenarios like that, you can very easily get pedestrians under the train at many places. It's very cost effective, and streets can just be depressed a small amount and reducing property taxes and reducing costs. I think if we talk to residents of Belmont, San Carlos, people don't really have complaints there. I understand there's a lot of nervousness in town, and there's this strong emotional feeling that if we don't build a billion dollar trench, something terrible will happen. I encourage us to study all alternatives, and particularly to study cost effectively. The idea that we are going to remove the University Avenue undercrossing and the Embarcadero Road undercrossing and replace them with a trench, I think, is not practical. The study last year talks about a 2 percent grade which is not allowed by current conditions, so that \$1/2 billion estimate assumes that we're going to get a waiver for that. By the way, I do support High Speed Rail; I think we need more transportation options. I think as our economy grows people want to be taking the trains. I would even encourage us to reconsider someday at the right time having a station in town. I thank you for your work on this.

Adina Levin: Good evening, Council Members. Adina Levin with Friends of Caltrain. As many people have said, thank you very much for the attention to this issue and really working on grade separations. I just came up from San Jose and, fortunately, the train that I was on was the first train on time out of Diridon. There were a lot of delays. The need for grade separations is something that affects—it's a safety and security issue and also an issue to having reliable service and over time being able to get more commute service in our corridor over time. I'd like to make three comments starting with the most specific and stepping back to more general. The first question in terms of getting funding from the VTA ballot measure. I do think that there is some concern about making sure that Palo Alto gets a fair share and would like to make a recommendation about how to do that. That would be looking at the process that San Mateo County has been using for 20 years, where they funded seven grade separations over those last 20 years. They have a two-phase process where they have a call where all the different cities will apply and get funding for design. A few years later, when they

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have their project lined up, then apply for construction funding. When you have cities like Palo Alto or Mountain View that have more complex projects, that will get everybody at the starting point and at the same place and reduce the risk that Palo Alto will be in the back of the line because of complexity. Number 2, as another member of the public has mentioned, thank you very much for looking at funding sources, bringing in local funding and additional funding to afford a more expensive option. Another mechanism or set of mechanisms to look at might be value capture funding, using the incremental value of additional real estate to help pay for infrastructure, not in the bad old PC zoning way, where we say how much do we want and then what are we willing to put up with, but in the lines of the City's planning process. What does the City want from a community goal, land use goal and then how does that relate to the corridor goal and project goal. Lastly, thank you for supporting a Context Sensitive Solution process. I would hope that Palo Alto can work with other cities and community stakeholder groups. High Speed Rail in doing this planning is saying, "We are willing to be convened by others coming to us." I think that we should take them up on their offer to look at both regional issues like the schedule plan and the business plan for how the blended system will work. Huge questions. How to get the more rail capacity on the line, regional question, not something that an individual city can figure out. Lastly, locally sensitive issues like grade separations and station design where warranted. Thank you very much.

Elizabeth Alexis: Good evening, Council. I think this may be the first time I've ever gotten to speak to Council before 7:00 p.m. It is a delight to be here at such an early hour. My name is Elizabeth Alexis, and I wear several hats, but tonight I'm here as a member of CARRD, Californians Advocating Responsible Rail Design. We advocated in the last go around to use Context Sensitive Solutions, which was accepted. I will say that the implementation was really not classic CSS. That doesn't mean that we shouldn't do it again, but there's even more of a need to do it right. Via email earlier, we sent a lengthy update of all sorts of things. I really want to talk about CSS tonight. In the Staff memo, it says there might not be time to do CSS. There's always time to do CSS if you want your project to get to the finish line, especially when you're dealing with a situation like we have here where there's a lot of complexities. In order to make all the pieces fit together, you're probably going to have to change some of the assumptions. CSS is a stakeholder process. It is not a free-for-all stakeholder process. It is not the Palo Alto process. It's a very structured way to get people in the room who need to be in the room talking together. We have this happen during a CEQA process, but we don't talk at the same time. You submit comments. There are various experts who are working on the thing. They reply. Then you reply back. This is a way to get everybody in the room. The most

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important thing that happens, as far as I'm concerned, in a CSS process is that you must upfront define success. Caltrain must define success. What does that mean to them, and it has to be in a way that you can go back and say is the project successful. High Speed Rail needs to define success. What are they actually trying to achieve, and it can't be two trains. That's not success. It's a transportation goal of some kind. Palo Alto needs to define what success means for Caltrain from our perspective. It can't just be six trains an hour. Right now with the blended system, you would have three trains every 30 minutes basically. That's not actually very good service. This, I think, is the best way to get to the finish line. It would allow us to go back and look at the freight assumption which is what's driving a \$500 million price on grade separations. For instance, right now the assumption is you'd have to be 51 feet under the ground as you cross by Charleston at East Meadow, and that's because you're assuming clearance levels for freight and then you're tacking on some issues with the creeks. If we want to get to a project that can succeed for all of the different goals, the community goals and all the different transportation goals, we are going to have to do this in a really creative, thoughtful way. I think we are up for it. Thanks.

Roland LeBrun: Thank you again, Mayor and Council. First of all, I really want to congratulate Staff on their report. It really is excellent. I think all the points have been really highlighted and they've come to the right conclusion, let's go and trench. They actually know where to put the trench in. Why is High Speed Rail back in the Peninsula? Well, it's very simple; they've run out of money in the Central Valley. It's that simple. They know that we, San Francisco, potentially San Mateo and Santa Clara, are about to pass multiple transportation measures which potentially could run up to \$15-\$20 million. Hello, there they are. Now, these people do not have the exclusive right to obtain environmental clearance of this kind of project. It's very simple that there is no question of ever exceeding 125 miles an hour in the Peninsula. CPUC Section 185032 is very clear; anybody else can get clearance below 125. That includes Caltrain; that includes the VTA. You might say we don't really want to have to deal with VTA. What I really encourage you to do is to look at all the grade separations the VTA did on these sites for BART, and you may be very pleasantly surprised with the numbers these things actually cost. On the Section 190, Staff correctly discovered that the formula is basically the number of cars across a track every day multiplied by a number of trains. It's a little bit more complicated than that, but basically that's it. The trick is to actually combine multiple grade separations. When you do that you end up with an absolutely enormous number. San Mateo is very familiar with this. This is exactly how they managed to get the funding to basically replace four bridges that did not need replacing, because they added up the numbers of all the cars that

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were crossing those four bridges. It gets better than that. They are going to spend \$200 million grade separating (inaudible) that doesn't get separated. Do you know why? Because they're adding 28th and 31st which do not currently exist. That's how they end up with these enormous numbers, on the future projections of all this traffic that will now be able to cross the tracks, which is not currently crossing because they dead end there. Wrapping up here, if you volunteer for four tracks, you will actually get automatic grade separation, because it's mandatory. You cannot have a level crossing with four tracks. The last point I'd like to make is that whatever you are doing here has got to have precedence over electrification. There is no way that you can build this kind of infrastructure on an electrified track. Thank you very much.

Peter Chou: Good evening. I'm 30-plus years resident of here. I really believe that this is a very important issue that affects hundreds of years of our future. I do want to repeat two points that was raised by the second public commenter. The first one is, as I said, this is very important for our future, for years and years to come. I do urge you to spend that extra (inaudible) steps, to explore all the possibility of funding for a trench solution. Secondly, I wanted to also support his idea. I don't know how practical that is, but it's worth exploring, that is to consider housing on top of the cover for trenching. Thank you.

Mayor Holman: Thank you very much. To try to move us along here and try to focus as City Attorney had suggested earlier, focus on the first and second parts of this item. In other words, High Speed Rail and that trajectory having to do with the EIR and such, and then also grade separations. Then we'll call Council Member Filseth back for the third part of this. I don't see any lights yet. Can we suggest that we'll have five minutes a piece at least on our first round to ask questions and comments about "1" and "2." Council Members? Council Member Wolbach.

Council Member Wolbach: I actually hadn't really collected my thoughts completely yet. I just want to make sure I'm clear about a couple of things. Going through some of the Staff recommendations and making sure I'm clear about what it is that you're looking for from us tonight, beyond any additional guidance we might be offering. I want to make sure—on page 12 and 13 of the Staff Report, you're looking for authorization from us to do further study of a 2 percent grade trench. Is that correct?

Mr. Shikada: Perhaps preceding getting into the specifics there would be to give us a sense of the Council interest in proceeding with a City-sponsored engagement of the design team that would be needed in order to do the kind of work we're talking about. On that basis, if the Council agrees that

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that would be an appropriate next step, we would do an RFP, come back with a recommendation to engage a consultant team for the purpose of evaluating options, whether it be the 2 percent specifically, other alternatives analysis, in order to advance the grade separation options.

Council Member Wolbach: On page 14 of the Staff Report, it looks like you're kind of similarly—if we are interested in going down this line, no pun intended, you're looking for authorization for additional circulation analysis and design studies. Is that correct?

Mr. Shikada: Part and parcel again of looking at alternatives, where is the most cost-effective options to proceed with more detailed design.

Council Member Wolbach: Part of that is the possibility of perhaps not doing grade separation at Churchill and refocusing on maybe combining that crossing with Embarcadero through redesign of Embarcadero. Obviously you're not coming to us with a plan to do that at this point, so I don't want to suggest that you were. That's an interesting concept. I've heard people in the past discuss the question around whether we want to fully grade separate Churchill or not, whether we close it, make it bike only. There are a lot of options there. Given that it's not too far from Embarcadero, if there was a way to combine that would be effective for improving mobility, I guess I'd be open to that. I want to make sure that I was clear that's kind of part of the discussion or are you looking for really nuanced direction from us on that item in the middle of page 14?

Mr. Shikada: Once again, I don't want to not answer the question, but perhaps to just provide the broader context. It's my understanding that in the prior work there was not a great deal of analysis of circulation alternatives as in questioning how best to meet the City's local axis needs overall, perhaps in the context more of a general plan-type analysis than was done to be specifically looking at the grade separation options. If we were to take a step back to look at how and what the City's axis priorities, needs in getting around the City and not limit it to motor vehicles but also for pedestrians, cyclists, other transportation options, that there could be a broader evaluation of options that would be part of the scope.

Council Member Wolbach: I guess regarding 190, I understand that it's not your recommendation as Staff that we pursue that aggressively right now, because of the challenges that the City Manager identified earlier. I guess actually I wasn't entirely clear about how much funding 190 could potentially provide. At one point, it says 15 million and then it said up to 80 percent could be provided. I'm sorry if I just missed the—were those two different options within the 190 program?



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Mr. Mello: Council Member, it's 5 million per year per grade crossing up to \$15 million for one grade crossing. If you do two grade crossings as one project, you can actually access up to 20 million. The 80 percent is—there's 80 percent Section 190 and then the 20 percent needs to be local match, and 10 percent of that local match needs to come from the railroad that owns the corridor. In the case of San Mateo County, the C/CAG actually routes the sales tax revenue—the TA routes the sales tax revenue through Caltrain, and that comprises the 10 percent local match that's provided by Caltrain.

Council Member Wolbach: Do you mind if I ask just a quick follow-up? Thank you. I guess I'm still not clear, because \$15 million I don't think usually equals 80 percent. Again, maybe I'm just ...

Mr. Mello: There was a recently constructed project in San Bruno that accessed Section 190 funding. They received, I believe, 10 million in Section 190. The total project cost was 160 million, so they cobbled together funding from MTC, the regional sales tax and several other sources. Section 190 by no means would cover a large majority of a project of this scale.

Council Member Wolbach: The allocation is not coming from the Section—that 80 percent allocation is not coming from Section 190. That explains my confusion.

Mr. Mello: It's 80 percent up to \$5 million per year.

Council Member Wolbach: Thank you for clarifying that for me. Yeah, I think that that's it for my questions for right now. Thank you very much. By the way, welcome to the gauntlet.

Mayor Holman: Vice Mayor Schmid and then other Council Members.

Vice Mayor Schmid: Just a couple of comments and thoughts. The three elements we're looking at tonight are so intertwined it's hard to separate them, one from another. Let me just make some simple points and talk about the context. We talked about Context Sensitive Solutions, and one of the players there has to be Palo Alto. Presumably what we say is helping define what the Palo Alto context is as we approach this decision. The Census Bureau has just come out with a new study of ratio of commuters to residents in the job market. Palo Alto comes in fourth in the country of all cities over 50,000 with the highest ratio. Right above Palo Alto is Manhattan. Right below Palo Alto is Washington, DC. There are no other California cities on the list of top 20, not San Francisco, not Santa Clara. Note that Palo Alto has some unique geography. You go to the east, there's

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a Bay. We don't have a bridge leading from Palo Alto to the East Bay. You go to the west, there's mountains and foothills that are protected as open land. That means our commuting corridors are north and south in a fairly narrow band. We know they are congested including now the rail corridor. Last week, I think we spent three hours looking at an east-west route, Charleston-Arastradero. We scratched our head and say, "This is crowded too, people trying to cross." There are so few corridors that can penetrate the rail lines coming through town. This is one of them. It's not just to get people to their jobs, but it's to get kids to the schools, people to the libraries, to community facilities, to shopping. We had an estimate that in the near term we're likely to see a 15 to 55 percent increase in east-west traffic. That means we're extremely sensitive as a community to what takes place on the north-south, that every increase in that north-south traffic has an impact on our City life, quality of life in our City. The only suggestion given in here, alternative, to deal with grade separation is a sales tax. Sales tax has two critical limitations. It's a regressive tax. Lower income, middle income people spend more than others—just the note on it. Looking at the numbers, there's only what? Between 10 and maybe 40 percent at the maximum we could get to pay for grade separation. I look at the context of Palo Alto and what we can do, what we should be doing to deal with this. I see only three principles that are important. Number one, relieve in-town traffic congestion by grade separating the rail lines. Number two, slow the rate of growth of new commuter jobs over new residential units. Three, come back with taxes or fees on business to pay for grade separation, not asking residents who are the ones who suffer from it to actually pay rather than those who benefit from it to pay.

Mayor Holman: Thank you, and timed very well even. Council Member Scharff.

Council Member Scharff: I guess I had a couple of things. One, are we going to look at our Guiding Principles? Is that part of the role tonight? Look at our statement where we—our official statement is to oppose High Speed Rail, is that one of the things we're supposed to be talking about?

Mr. Keene: Council Member Scharff, our sense was that that needed to be in here as background, also because we have new members of Council. I don't think we had any specific changes or anything we were thinking about. It's really up to the Council as to whether or not you think they either need discussion or are there any principles that might need changing.

Council Member Scharff: I guess I would sort of throw it back at Staff. I was intimately involved in it obviously at the time of putting these together. When you read them now, they start to feel a little dated frankly. Time has

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moved on. I mean, we might want to talk about having principles that High Speed Rail shouldn't restrict Caltrain capacity. They're about to come out, I thought, with a new business plan and funding plan. We talk about the revised HSR business and funding plans. I'm not sure we have to do that yet, but I think we should start thinking about if we're going to have a statement, making sure that it's relevant. There may come a time when High Speed Rail is so far along, if it gets along, that our position shouldn't be that it should be terminated. After they spend so much money on it, it may not make sense to be terminating it. I think we may want to start thinking about where that goes and at least look at that situation as we progress through this. I do think on an overarching thought what we really need to do is to come up with a plan. I'm all for authorizing Staff to spend what it needs to make circulation work. I really liked it when the Assistant City Manager, I think it was, Ed Shikada said we could look at circulation. I was thinking about that a little bit. If you look at the costs that we have for some of this stuff, about whether or not to maintain the turn movements. Turning right on Alma is really not a problem. I mean, you can always find a way to turn. It's that left turn at rush hour on Alma; you simply can't do it without a light. I drive up to Churchill and make my left there to get onto Alma. Getting onto Alma anywhere else—I mean, getting on Alma off Page Mill doesn't really work with that left; there's no light there. If you're anywhere there and you want to get onto Alma, you have to basically, I think, go to one of the crossings where you have that. That doesn't mean that we couldn't put a light somewhere. It doesn't have to actually be at those places. It doesn't mean we couldn't fix Oregon to allow people to get on there. I'm just thinking there should be some good circulation plan that works. I think that's where we have to think about it. I think, at like Churchill for instance, it may make sense to do the cheaper alternative, if that's what happens, where we do just a depressed roadway for 90 million or it may makes sense to do the 184 million where we maintain the turn movements. I'm just not sure with those three property acquisitions; we need to look at that. I think it's too early in the process to say what to do without a lot of Staff work. I guess what I'm looking for is how do we authorize Staff to come up with a circulation plan that makes sense. I think without a plan it's very hard to evaluate what to do. I think when I read this, it's pretty clear that if we did a trench, for instance, the trench doesn't go as far as Churchill. It's really those two. Therefore, what do we do about the Churchill crossing and possible others? I think it's really all about circulation on this and maintaining Caltrain capacity and maintaining east-west movement. The other thing, I guess, I wanted to say is I think we have more time than we think a little bit in some of this stuff. I was having a conversation last week with the Director of Planning for San Francisco. We had a long discussion regarding when are they going to get Caltrain down to the transbay terminal. He said the current EIR process and the route they

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have for it to—I guess it goes in some sort of "S" curve or something through there—doesn't really work. We need to re-look at this. We need to say—there's new boring technologies that may make this better and may make it much more practical. He said we're probably at a minimum of 15 years away from getting that portion done. I was thinking to myself we also may have better boring technologies and technology may actually change where things could be different. I don't know how long this process really takes. I think that's something we need to think about as well. I think this is a very difficult question on where to go next on this stuff. I do think that circulation and coming up with a plan for that probably makes the most sense.

Mr. Keene: Thank you.

Mayor Holman: Did Staff have any response to that? Any comments about boring for instance?

Mr. Keene: I don't know on the boring side. Obviously I think Council Member Scharff was responding to really what is the Staff recommendation as it relates to studying the circulation components. We also do have recommendations related to more detailed study on the grade separation concepts themselves. I mean, for example, to make a 2 percent grade an actual possibility, we've got to have much more detailed analysis and work done on that. I think we've had some preliminary feedback that indicates from some of our partners that they would welcome that more detailed information. Obviously if we were to trench and we were to move from 1 to 2 percent, I mean we've cut our costs right there in half for the project. If we look at the circulation components, that starts to give you other choices, not only as far as quality of life but—I'm assuming that these things are going to be different variables that are going to play in different combinations, both the circulation and the approach that we use. We are saying that we don't have the information we need right now to drive towards taking control over our own fate. What we are pointing towards is that's a key piece of the recommendations, I think, that are here today. (crosstalk).

Council Member Scharff: When we do that bike and pedestrian tunnel, like at Churchill for instance, even if we don't depress the road, it would make a huge difference if we got those bicycles off going on that.

Mayor Holman: Council Member Burt.

Council Member Burt: First, I'd like to say that I agree with Council Member Scharff especially on the point that we shouldn't be reacting so much to what High Speed Rail has been thrusting forward and have that dictate our

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own sense of timing and process. I think that what they are planning to do is a prescription for failure. It is the sort of process that resulted in the horrendous backlash on the Peninsula previously. Now, we need to recognize that this is not a four-track system, a full four-track system. It's a hybrid, blended system eventually, so the impacts are not as great, but they're making the same process errors. An 18-month cycle time for this complexity of an EIR is not realistic. Part of what we need to do is not do what the Staff Report has kind of driven us to, which is how do we contend with this 18-month period. We need to strongly, clearly oppose it and rally the support of the other cities on the Peninsula to share this. I can tell you at the Local Policy Maker Group meeting, which is the one representative from each city advising Caltrain modernization, that group was completely caught off guard by the High Speed Rail EIR action. The only reason it actually came before the Local Policy Maker Group was because I was alerted by CARRD members that the last High Speed Rail Board meeting in August had in fact authorized this, and Caltrain was not bringing it before that body on their own. They didn't bring it before the technical working group which preceded it by days. This goes to we've had a process that started off with real shortcomings in transparency by High Speed Rail on multiple fronts. They may be starting to try to correct themselves, but I think they're taking partial measure to correct themselves. They said, "We'll incorporate some CSS-like components to the process." That's not going to cut it. We and other cities need to be real clear. Part of the problem is we've had a real turnover in many of the electeds and Staff members who were engaged in this, not only in Palo Alto but throughout the Peninsula, since we had our heavy lifting on this from 2009 to 2012. There's going to be a re-education process for Staffs, electeds and the public. We will also see kind of awhile for this to actually percolate in terms of the concern level, I believe anyway. It's going to take a little while for people to absorb what are the potential consequences to this. We need to be clear in terms of what High Speed Rail is proposing. They're proposing up to a total of 20 trains per hour, four trains per hour per direction from High Speed Rail and six trains per hour per direction from Caltrain. Twenty trains per hour, one train every three minutes with what amount of downtime and recovery at the signals. We would have virtual gridlock with that amount of trains. They are proposing zero dollars from High Speed Rail for grade separations. They are suggesting that they will help fund quad gates, and that's their intended solutions. We have a big disconnect between what they're proposing and what is at all feasible. Also, they're saying that the CEQA process will address the impacts on us. As we know from the Caltrain electrification EIR, there's a State and a Federal environmental exemption for the impacts of additional trains, under the notion that they're a progressive improvement to transportation and, therefore, you can't squawk about those impacts. It's false when High Speed Rail has claimed that we're going to be protected by

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the EIR process just like it was false when previous High Speed Rail representatives made those same claims. I'm going to want to revisit in the next go round what we should do and what actions we should take from this point forward.

Council Member Berman: Thank you very much. I agree 100 percent with Council Member Burt in regards to the inadequacy of the process and the accelerated EIR timeline and the unnecessariness of it. As we've seen from recent articles, High Speed Rail is nowhere near obtaining the funding they need to get anywhere close to the Bay Area and the Peninsula. We should push back as forcefully as we can. I think kind of taking a look at what process we took before I was on Council in terms of working with other cities to get critical mass and get everybody educated and hopefully on the same page in terms of what type of collaborative reaction we should have to High Speed Rail to let them know that both the process that they've taken in terms of letting folks know about this and really springing it on all of us and the process they want to take moving forward isn't sufficient. I have a couple of questions. I guess first a couple of comments. In terms of the approach that the City wants to take and the Staff proposed in terms of Section 190 funding and Section 130 funding, to the extent you're looking for us to say we agree, I agree. You guys made a pretty good case for both of those. I have a question about how you guys—I guess first question is in regards to the cost for the grade separations, did those include the cost of the property acquisition? It does, so Richard is telling me yes. I just wanted to make sure. For the cost of the trenching, I just don't recall from the discussion we had on this last year. Was that an open trench or a closed trench or is there not a huge difference in the cost?

Richard Hackmann, Management Analyst: Thank you, Council Member Berman. It was an open trench. Just to clarify on the parcel acquisitions, the figure that Hatch Mott MacDonald used in their development of the cost figures was \$2 million for a full parcel and \$1 million for a partial parcel take. I'll leave it to you as to whether or not you think those are accurate of the real estate prices we're dealing with today.

Council Member Berman: Obviously a lot of this will have to be updated. What's that?

Mr. Keene: It's two years old.

Council Member Berman: Yeah. It probably also depends on the size of the parcel, while we're at it. That's understandable. It was an open trench. Do we recall was it a lot more expensive to do a closed trench? I don't remember; I don't expect you to.

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Mr. Hackmann: Here's what I can tell you. There's actually a 2011 Hatch Mott MacDonald study that looked at some two and four-track options. The issue with the closed trench is once you cover more than 700 feet in length, you need emergency exits and HVAC systems that make it a lot more complicated. Covering less than a 700-foot segment for an open space area or some sort of pedestrian crossing doesn't greatly increase the cost. When you talk about covering the full length, it would be a significant increase.

Council Member Berman: 700 feet, so 230 yards. I'll do some math on my own while other people are talking. I'm not sure. Then the question would be how much open space do you need in between each 700-foot ...

Mr. Hackmann: I don't recall the exact amount, but it's at least 100 feet.

Council Member Berman: Which isn't that bad. I'm curious to know what could one accomplish over 700 feet. I bet you could build a pretty nice dog park, but are there other things that you could do. And bike trails and running trails and that kind of thing. Where did we get the calculation that a 30-year 1/2-cent sales tax measure would generate 179 million of bond revenue for Palo Alto? The reason I ask is—obviously they're not directly correlated—Palo Alto makes up 3 1/2 percent of the population of the county, and 179 million out of 6 billion is only 3 percent of the total sales tax revenue that the County is estimating would be generated by a 1/2-cent 30-year sales tax measure. I thought for sure we generated more than our kind of population's share. That just seemed low to me. I could very much be missing something.

Mr. Shikada: I was just going to comment that we've looked at it in a number of different ways. That was not one of them. I think the reality checking of the cost estimates really should be an ongoing effort. This was our preliminary guess at this point.

Mr. Keene: I think we'd need to run some more analyses, because the obvious 30-year yield in a kind of pay-as-you-go period is actually more than that \$179 million. That's based on thinking about having the money right off the bat (crosstalk) bond it. The discount rate—obviously we're getting into the present value of money. It's actually a lower figure, but if we factored that in over time, they start to equalize.

Council Member Berman: What is the County's calculation? I thought they were doing the same upfront bonding the money, but maybe I'm wrong on that.

Mr. Keene: I think they were just running what a straight yield would be over the time period, which would be very different.

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Council Member Berman: That would explain a lot of that.

Mr. Keene: I mean, if you even just took it the way we calculated it, the straight yield over the period is what? Something like \$384 million.

Council Member Berman: My time's up.

Mayor Holman: Yeah. We'll circle back around.

Council Member DuBois: I'd like to touch on three areas, I think, goals, funding and then, if I have time, kind of definition and scope. I might come back to that. I have to say I see the three topics as really one comprehensive solution. Council Member Schmid talked about this rail corridor that cuts Palo Alto in half. Congestion at grade crossings is a concern. I don't think people have really mentioned safety and noise along the entire track. Now we see a lot of graffiti; it's now visible. The other point is whether High Speed Rail comes or not. I think if High Speed Rail doesn't come, Caltrain will expand and we're going to be at that 20 crossings an hour. Marc started to touch on the cost of the alternatives, and seizing homes doesn't seem to be any real good alternative. Even the lower cost one of seizing some homes but no turns off of Alma, I think then Alma starts to become more of an expressway. I'm definitely in favor of a trench. If you look around the Bay Area, we've got tunnels in San Jose, in San Francisco. Reno built a train trench downtown about 2 miles long. There's a 10-mile trench in LA along Alameda Avenue down there. I'd really like to see us learn from examples of how did other cities and areas kind of pull these things off. Maybe if we do further study, that can be part of it, really kind of looking at other successful projects. I think we really need to think big, and we're going to have to consider all sources of funding and cobble everything together we can. Should we do minor changes on Churchill under Section 130? Sure. I'd like to see us think big. I'd like to see us really think about a mid-Peninsula trench that could really impact a lot of people. I think it should be supported by our businesses, by Stanford. It would really contribute to the vitality of Silicon Valley which is a big part of the GDP in California, which is a big part of the GDP in the country. I think we need to frame it that way. When I say thinking big, I'm really thinking multicounty, multicounty. I would start including Mountain View and Redwood City, all the way through. I'd like to understand if there are economies of scale. When we get to the 2 percent/1 percent part of that, that grade is driven by how long that trench is. There might be some economies of scale. Also, I think the longer trench is really the best long-term solution. If you start to look at amortizing these costs over 50 or 100 years, then it also starts to look a lot more reasonable. I really think we are talking about a 50, 100-year kind of solution. The Staff Report listed kind of six constraints.



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It said we need to stop trenching. I'd like to challenge you guys to really get creative. If we were to go for a larger thing, could we break through some of those constraints? Lowering the boarding stations to below grade could create some new opportunities, both above and below grade. I think working with Menlo Park could be a positive. It's not necessarily a negative. I don't think we want this thing to be a rollercoaster, kind of going up and down. The freight train is an issue we haven't really talked about but we need to resolve. If there are creative solutions there, it might resolve the closed/open trench discussion too. I think that's an area where technology might be changing. In terms of funding, like I said, I think the answer is all of the above. I think we really need to pitch this as something that would be suitable for Federal funding, for State funding, for regional funding. Employers need to get involved. As mentioned, value capture. Again, I think we need to look at is there a way we could capture additional revenue opportunities, like the way San Jose is doing with their BART stations. Again, is there even a way that High Speed Rail would produce (inaudible). I think if we did have a trench, a lot of those objections might disappear. I think the big thing is really looking at a financing plan that could potentially include multiple cities, multiple counties and can we build that kind of coalition. I think Council Member Scharff was saying we need to have a plan. I think it's a plan for financing before we even get to the engineering. In terms of definition and scope, I wonder if some of the things that the previous consultant report didn't investigate, I've heard second hand, is it possible to actually build a trench leaving the tracks in place. Some people suggest that it is. Another idea was also could you potentially move the tracks so they're partially under Alma in kind of a long-term configuration. I have one quick question, and I'll stop. Was this the kind of thing where we'd consider kind of a design/build RFP all at once or is there a reason we would kind of split it apart?

Mr. Shikada: I suspect it's premature. We haven't really got into it at this point, but would certainly be something that could be considered as we go further down the process.

Mr. Keene: This would be our advocacy for a particular position, obviously.

Mayor Holman: Thank you. A question for City Attorney. High Speed Rail is wanting to go forward with the EIR and move ahead with this, but there are an awful lot of lawsuits pending. I guess, how can an entity even propose to move ahead with other EIRs with so many lawsuits pending? There's the potentiality of just having a patchwork system, which has been talked about before, a patchwork system. Here we are again in another, it seems to me, patchwork scenario.

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Ms. Stump: Thank you, Mayor Holman. Your question is a very broad one. The Staff Report identifies a number of different lawsuits. They concern different legal theories, different statutes, and different segments of the line. The High Speed Rail Authority has determined that they are able to issue this initial draft and get this process started. I have no doubt that various concerned parties up and down the line will be looking at those processes and asking if the environmental rules and other laws are being complied with at each stage. It could be that some challenges are brought. I think at this point they've looked at it, and they feel they're able to take this initial step.

Mayor Holman: In the bigger picture though, even if they can take this initial step, the potentiality still exists. I guess it's more of a comment. It seems to me more of a potentiality exists certainly for a patchwork kind of system, which has been one of the concerns all along. In terms of wanting to expend some funds for drawings, we're going to need them whether it's HSR or whether it's Caltrain. We're still going to need the drawings for the community to understand and decision makers to better understand what we're looking at visually. Nothing tells a story better than a picture. I would support some funding on that. I also would like to suggest that we might be able to find very similar circumstances with other cities fairly near to us that we could share the cost even of that with other cities. I also agree with some of the comments that have been made about comprehensive solutions and about not letting the High Speed Rail Authority try to tell us what we're going to do and when we're going to do it. It isn't the elephant in the room, because it's been identified as an elephant a long time ago. That doesn't mean, though, that we have to be whip-sawed by it. I think Council Member DuBois was talking about looking at a broader scheme with other cities north south. I think that's true. When it comes to both north-south, the letter that the Mayors and City Managers that you have in front of you we talked about comprehensive solutions. Vice Mayor Schmid commented about this too, comprehensive solutions. While we are pretty much driven by the Caltrain line and 101 and 280, that's all north-south, but we do need to have some more comprehensive discussions about east-west migration as well. That also means cooperation with other cities. I'm going to stop there. I think there were at least three other Council Members who wanted to have a second round of comments. Why don't we try to see if we can make this second round, let's try to do three minutes. If we need another round, then we'll do that. Questions and comments still. Council Member Scharff.

Council Member Scharff: I obviously would be thrilled if we had a comprehensive solution along the lines of what Council Member DuBois said. One of the things I think we have to think a little bit about is that the regional agencies which should be driving those, which are basically the Caltrain Board and VTA, have shown no inclination to do this. Whereas, I

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would love to just go along with Council Member DuBois' points on this, I don't want us to end up doing nothing because we want the pie in the sky solution that doesn't make sense in terms of a regional trench that we can't get support for, which goes from Redwood City through Mountain View. I do think we need to think about practically how we get circulation. In terms of the practicalities, when Staff looks at the circulation which I hope we'll do, that's what I really hope the direction we move in is, we also ask ourselves questions where we've said that we don't want an elevated track, but when we said we don't want an elevated track, we're thinking 10, 15 feet in the air. I mean, if you elevated the track 3 feet and had to take 30 less homes, I would make that tradeoff, because it's an aesthetics and noise issue. That's what we need to understand. What I think we really need to do is to understand how we can get circulation to work here, and also the timing of all this stuff so that it works. I don't want us to just spend all of our energy on a regional trench or something like that. I mean, obviously I think a shorter trench makes a lot of sense. I just think without VTA and Caltrain, we're probably not going to make that work. Who knows?

Mayor Holman: I don't see a light but remember Council Member Burt had something else. Council Member Burt.

Council Member Burt: I don't think that we're in a position to begin to tackle what major alternative or alternatives we should pursue. I do like the portion of the Staff recommendation that we move forward with additional analysis of circulation. However, this shouldn't be a purely Staff-driven process. We have made the case to the High Speed Rail Authority, and we made it successfully, actually to Caltrain and the High Speed Rail Authority when we had the previous version of the Peninsula rail program, this commitment to Context Sensitive Solutions. Those of you who have not had a chance to read through some of the materials on what this would mean or hear what Elizabeth described about it, it's a real problem-solving methodology. We should not be demanding that Caltrain and High Speed Rail adopt that process, and then we as a City go about a different process. We will do a better process within Palo Alto and as Palo Alto relates to these other matters through adopting a methodology like this. It's iterative, so it doesn't mean that we go through the whole Context Sensitive Solution process before we begin to gather additional information, for instance, on the circulation. What we do on that study may very well be informed and be a better study as a result of engagement with stakeholders and the community. I think we want to adopt CSS as our process. If we look at our Guiding Principles, I think we already actually have it there. We want to have some specific requests of High Speed Rail and Caltrain. Caltrain is a part of this, and they can't be left off the hook and say, "This is High Speed Rail's fault, and we don't really have much to do with it." There are

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representatives on this corridor, and they need to stand up and insist on the right process and the right amount of time to begin to figure out what are the right solutions. The EIR should not be an 18-month EIR. They should agree to fully recommit themselves to Context Sensitive Solutions as the process, and that they should commit to full transparency. Right now the High Speed Rail Authority has been going down the same trap of believing that they can succeed by withholding whatever information they have to a great extent from the public and from the cities that are affected. We need to insist otherwise. It really is misguided on their behalf. It's sort of this ramming it forward and lack of transparency is the very way that this will blow up again. Then they'll be calling people NIMBYs and whatever name-calling they want to do, because they are not embracing a constructive process that is designed toward problem solving and really coming up with best solutions. I would like to just add one other thing along the lines of what Council Member DuBois was talking about. We really should be thinking in terms of a 50 to 100-year timeframe. I was recently thinking about in the 1930s in Palo Alto, which was then North Palo Alto, we constructed three major interchanges, and in 1960 a fourth one. We have the Embarcadero underpass. We have the University Avenue underpass. We have a trench of El Camino Real that goes under University Avenue. This was done in the Great Depression without the resources that we have in Silicon Valley today. Our business leaders and other political leaders in this region have taken a mindset that we can't possibly do it right. Yet, in that era we could. Eighty years later, we're still deriving the benefits of those investments.

Mr. Keene: Madam Mayor, may I just ask a follow-up question of Council Member Burt on his comments? What I heard were two things. One, as it relates to the City pursuing its own circulation study, but asking us to do so within the Context Sensitive Solutions approach. A separate issue, though, related to CSS and the High Speed Rail EIR and this conversation on engaging Caltrain on our behalf on that. Correct?

Council Member Burt: Correct. The third part is to insist that the timeframe to accomplish the EIR and CSS be driven not by whatever timeframe they're interjecting without telling anyone why. Instead, it be driven by what's the right amount of time necessary to do the process correctly.

Mayor Holman: Council Member DuBois.

Council Member DuBois: I agree we can't rely on VTA or Caltrain to lead on this. (inaudible) VTA of Santa Clara County only. I think Caltrain would need to be involved, but they aren't impacted the way the cities are. I think we'd have to form kind of a new multicity trench organization that would

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lead on this. Again, I mean, you look at BART in Berkeley. BART did not lead that effort. Berkeley had to fight tooth and nail to get a tunnel. I think that's just expected. I don't think those are the organizations that would lead on this. Again, just in terms of funding sources, regionally I think we are going to have to probably cobble together lots of different sources. I think we may need to look at some kind of train assessment district or a business tax, transportation tax. Thanks for the comments on the Staff Report. If the only contribution VTA was going to make to grade seps was the number that was in the Staff Report, I think that would strongly influence me to more seriously considering a City sales tax. I mean, I think—we're going to talk about Item 3 a little bit later. We're going to have to negotiate hard. Unfortunately, I think it is a zero-sum game when it comes to funding these projects. I just want to say I support CSS. I think that's critical. Again, we would use that process to explore some of these alternatives. Before we constrain ourselves, I'd like to start thinking big. It may not be practical, but I think that's where CSS would help us flesh that out.

Mayor Holman: Thank you. Council Member Berman.

Council Member Berman: I like the idea also of having a CSS process for us with hopefully the goal being us actually coming up with a position that we've taken of what we want. There are a lot of different ways that we can go, and a lot of different options. Having a community-involved discussion of all the tradeoffs and all the benefits and all the costs to actually come to what the City's policy is, I think would be really helpful. Council Member Burt alluded to the fact that the High Speed Rail Authority hasn't really given any reason for their 18-month EIR process. Are you guys aware of anything that he might not be or we might not be? Are they really not being very forthright?

Mr. Mello: What they've said publicly is they want it to align with the schedule for the Gilroy to Merced segment.

Mr. Keene: I would conclude that they haven't given a—I would agree with Council Member Burt. That is not sufficient explanation.

Council Member Berman: What's the rush? It's baffling, and it really does lead to a lot of distrust from our end, which was something that I thought they were trying to work to remedy after what happened previously. This is obviously going in the opposite direction with no real reason stated as to why they're doing it. We don't need to get into this kind of stuff now, but as we look, as Council Member Scharff was talking about, to revising our Guiding Principles, I do think that we need to be open-minded to any and all

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different revenue sources possible. I know one thing that we say here is these improvements must be funded by Caltrain, High Speed Rail and/or other external funding sources. One thing I absolutely think is that High Speed Rail, I mean they're really trying to get away scot free without having to provide any funding for mitigating these impacts. I don't know if we should maybe be a little—I don't know if we want to be that prescriptive in terms of what funding sources we have. As that comes back, it's something that maybe we should look at. I also agree with Council Member Scharff, I think, and maybe others in talking about the hybrid crossing option at Churchill. If it is 3 feet or 4 feet or 5 feet elevated, what the tradeoffs of that are, I think, is something that we should really consider. That could be part of the conversation. I like Council Member DuBois'—I mean it's something that I had written, partner with other cities. It might not happen, but I think it's a conversation that we should have to see what kind of willingness there is in other surrounding communities and what that might mean in terms of economies of scale on a bigger trenching option. I'll reach out to some friends who are on Councils in Mountain View and Menlo Park and other cities. I would encourage Staff to do the same to their colleagues.

Council Member Wolbach: My thoughts on some of the things that have been said. I just want to let my colleagues know where I am at among these issues. Definitely yes, I'm supportive of enabling Staff to go out and do more study and to start really studying circulation options and studying grade separation options and outreach to other cities to explore whether linking up with other cities is an idea that has a lot of receptivity or is a non-starter and we should focus on a more modest proposal. I definitely agree with Council Member Scharff that we don't want to abandon doing something very significant aiming for the perfect. We don't want the perfect to be the enemy of the good. If there are things that we can do, partnering with other cities, that actually give us cost savings, I'm definitely not going to say we should rule them out in advance. We'd be crazy to do so. I agree about the importance of Context Sensitive Solutions, and the importance of pressing gently but pressing Caltrain to be very clear and join us in demanding the transparency and realistic timelines and Context Sensitive Solutions, all the things Council Member Burt has highlighted. On the question of grade separations and thinking about our priorities as that goes, I guess the way I would list my priorities when it comes to grade separations are safety first; then circulation, improving the flow of people whether they're on bike, pedestrian, cars, etc; third, cost, finances; fourthly, aesthetics. I don't think aesthetics are unimportant; they certainly are, but I think that safety, circulation and cost are more important than the aesthetics. Coming out of this, there are a couple of things that I think we need to not lose sight of. One, we actually heard it mentioned earlier by, I think, Adina Levin from Friends of Caltrain mentioned it, value capture is something that we should

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definitely—another gentleman in the audience also mentioned this. I think value capture in a way that is driven by our community priorities and land use priorities is something we should absolutely include in further studies and discussion. I also think that frankly, given that aesthetics is the fourth priority after safety, circulation and costs, I don't think that some degree of elevated tracks should be completely ruled out at the outset. I know that we haven't been supportive of that in the past. If that's the way to get grade separation throughout Palo Alto, I think we should have a serious, honest conversation about it. It's done in other cities on the Peninsula. There might be other ways to do it here more effectively. If it gives us the safety, mobility improvements and is more cost effective, I wouldn't rule it out. I just want to make sure that as we're doing really thorough discussions in the community and as we're doing thorough studies, whether it's Staff or consultants or both, and as we're considering this conversation, I want to make sure that we're keeping our options open.

Vice Mayor Schmid: I support Council Member Burt's notion that we need time and serious discussion around the range of issues that are involved here before committing to a time table. I do have a couple of questions about Context Sensitive Solutions. I guess I'm concerned a little bit about stakeholders as participants. I'm worried that the stakeholders involved are the ones who define the issues, who limit the boundaries of discussions, who set the costs and benefits, who benefits, who pays, and sometimes in there secondary impacts can get lost. I think as representatives of community and other communities around us need to have their clear voice in whatever process we get involved in.

Mayor Holman: Just a couple of things. One is a question for the Staff perhaps. When would we start the CSS process? When would we start that? When would be the appropriate time to start it?

Mr. Keene: Thank you for that, Madam Mayor. I'm assuming maybe we're getting close to sort of a conclusion of the Council's discussion on this "1" and "2" part. If I could speak a little more expansively in response to your question, because I think it's connected to a number of different things. By the way, I would just add our voice on the Staff just listening to you talk to the community members who spoke that this is a kind of sort of pivot point, I think, for the City from where we had been in reacting to High Speed Rail and in some ways maybe even just reacting to the Santa Clara tax measure to really being proactive about how we move forward. If I could use a metaphor, maybe it's not completely apt, but it's almost like we're reaching a point of adaptation as we would in facing an important systems problem. We've got to adjust to climate change, and we've got to face those issues and take them on. In this same, whether it's High Speed Rail or not, we've

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got Caltrain which is vital. We have to adapt to the reality of that over a long period of time and take our destiny, I mean, much more in our own hands than ... That's what I see happening here. Here were the different things that we've talked about and that the Council has commented on. We need some more circulation analysis and study as a key component, and that you want us to pursue that within a Context Sensitive Solution approach. We also need at some point more detailed engineering work done. The question of what the scope of that engineering work would be, whether it's just within the City or in a broader kind of context, and we also need a financial analyses and strategies. We have these other issues of reframing the timeframe with High Speed Rail and enlisting Caltrain on our behalf in relation to that in advocacy for CSS and those approaches. As Council Member Scharff brought off, all of those things do start to beg the question of the need to reform or amend some of our policies now, because there are some different directions you're going to be giving us. My thought is we need to come back with a little bit more meat on the bone about what these processes involve. I would like to get from the Council a little more clarity, before we come back with that report, how you see the sequence of the circulation piece, the engineering and the financing pieces. Are they sequential in some way or do you want us to come back with some options as it relates to all of those? That's my way of saying I don't think we could tell you right at this moment what the timeframe would be on the circulation piece and the CSS. I think we'll huddle and we'll be able to give you a date for when we could come back with a bigger sense of what it will take to do this further analysis. Now that said, as it related to the timeframe and the Caltrain role, I had already spoken with Caltrain Director Jim Hartnett last week about the fact that we were going to be having this meeting, and that our Council was interested in us being able to meet very directly at the highest level with Caltrain on this. I think that much more immediately even we could begin to have some talk about the timeframe on High Speed Rail and Caltrain's role. I would just offer the Mayor, you might want to think about if you want to appoint any reps from the Council to work with us on that. I hope I was clear in answering your question. I do think just a little bit more sense of if we bring back a summary report about what our next steps would be like. I think we're clear on the circulation and CSS. I'm not as clear as to whether or not there's a consensus on the Council about sequence or how far you want us to go on the engineering and financing pieces. Thank you.

Mayor Holman: Thank you. Just a couple of comments here. There was a pretty strong request sent to VTA to work on a comprehensive solution, a regional plan for transportation. That was from what? Like 11 cities. VTA said thanks but no thanks. If we can't rely on VTA to do that, then it seems like as a part of this we might consider partnering with the other cities on



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our own to get that kind of a study and plan done. It needs to be done. VTA said, "We just don't have time." For something that's going to be in place for not only decades but decades upon decades, there's not time not to do it. That's one. We can look at what the right time is to start that, but we probably shouldn't tarry too long. I did want to respond to something that Council Member Wolbach said. In terms of prioritizing safety, costs and cosmetics, aesthetics, I really would not prioritize them. Of course, safety is the number one. Of course, that one's a no brainer. The others I would not put them in a hierarchical fashion because they're all equally important. That's why CEQA, for instance, requires them all to be studied, evaluated and mitigated, if not eliminated. I really wouldn't put them, duly respected, I wouldn't put them in that kind of an order in case that happens to catch on with any other colleagues. I think that may be—I think I can stop there. Council Member Burt, you have a motion.

Council Member Burt: Yes. First, before the specific points in my motion, I did want to say that regardless of whether High Speed Rail does or doesn't come to the Peninsula, the nearer term, longer term, ever, we're going to see a need for a greater number of trains on the Peninsula. The challenges remain whether they're coming or not. It really behooves us to re-engage on this and begin trying to take the bull by the horns ourselves, so that we really are moving as much as possible away from a reactive mode. One of the ways that we were engaging this in a real significant way before was our Rail Committee. We've wanted to try to minimize ad hoc committees or even standing committees in this case as much as possible. I think it's pretty clear that we need to reappoint and re-engage our City Council Rail Committee. My first component of the motion is to have the Mayor reappoint the City Council Rail Committee. Second, for the Council to direct Staff to return in the near future with a preliminary plan for a Context Sensitive Solutions process, long term and near term for Palo Alto, to address rail impacts and the future of rail in Palo Alto. For Staff to also return with a recommendation for a first phase circulation study. I'll just say as an aside, not part of the motion, that I don't think this is an iterative process. Just like what we did over a year ago on the grade separation analysis, it's not the end all, it's not the full design, but we need to get going. Returning to the motion, in addition for the Council to direct Staff and our Mayor representing us to convey clearly to both the High Speed Rail Authority and to Caltrain the following: the full Context Sensitive Solutions should be retained as the process for High Speed Rail on the Peninsula; the timeline for the High Speed Rail EIR on the Peninsula should be adjusted for adequate timing for the EIR and for full integration with the CSS process.

Council Member DuBois: I would second.

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Mayor Holman: I think you have numerous seconds. I think I heard Council Member Scharff second it first, I believe.

**MOTION:** Council Member Burt moved, seconded by Council Member Scharff to:

- A. Have the Mayor reappoint the City Council Rail Committee; and
- B. Direct Staff to return in the near future with a preliminary plan for a Context Sensitive Solution (CSS) approach to address rail impacts and the future of rail in Palo Alto; and
- C. Direct Staff to return with a first phase Circulation Study; and
- D. Direct Staff and the Mayor representing the Council to convey, clearly to both the California High Speed Rail Authority and Caltrain:
  - i. The full Context Sensitive Solutions approach should be retained for the process of High Speed Rail along the Peninsula; and
  - ii. The timeline for the Environmental Impact Report (EIR) along the Peninsula should be adjusted to include adequate timing for the EIR and adjusted for time needed to fully integrate CSS in the process.

Mayor Holman: Council Member Burt, would you care to speak to your motion?

Council Member Burt: I've really spoken to most of it already. I would say the only other thing that I want to add, but I didn't want to have it as a directive of the motion, is that as the Mayor spoke about the challenges of having VTA partner with the North County cities and other collaboration challenges, we're going to really need to engage with our elected officials at the State and County level. Assembly Member Gordon and State Senator Hill as well as County Supervisor Simitian who represents us and has a great deal of experience with this issue, we need to ask them to re-engage on this just as we're re-engaging and to come and have support, and also to have them be—I'm sorry, I'm not asking for this part to be in the motion. Have them really help pull together a collaboration of cities on the Peninsula.

Mayor Holman: Council Member Scharff, care to speak to your second?

Council Member Scharff: Yes, just briefly. I think this basically captures what we discussed as a Council, and I think it captures it well. I guess the only other thing I would say is I do think this is going to be a long slog, and it's going to take intense focus. That's why I'm really glad that we're

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reappointing the City Council Rail Committee. It takes that kind of focus, frankly, on a monthly-type basis to move these things forward. I think it's a really good motion, and I thank Council Member Burt for it.

Mayor Holman: Council Member DuBois.

Council Member DuBois: I think it's a well-crafted motion. I've already said I think this is a really critical structure for the long term. I'm willing to personally dedicate a lot of my own personal time, reach out to officials in other cities. We also have an incredibly knowledgeable and smart community. I'd love to hear ideas and hear from people who are willing to contribute their time on this effort. I would offer a minor friendly amendment to "B," that we include an option for kind of a mid-Peninsula solution. I would offer "to address rail impacts and the future of rail in Palo Alto and the mid-Peninsula."

Mayor Holman: Council Member Burt?

Council Member Burt: Yes. Just simply add "and the mid-Peninsula." Is that what you're saying?

Council Member DuBois: Yeah. I mean I understood what you were saying. You were including reaching out to elected officials (crosstalk).

Council Member Burt: Yeah, I understand. I just wanted to be clear on what you were saying. It's simply under "B." After it says "in Palo Alto," say "and the mid-Peninsula." That's great. If that's okay with the seconder.

Council Member Scharff: That's fine.

Mayor Holman: Council Member Scharff, okay. Good.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion at the end of Part B, "and the Mid-Peninsula."

Mayor Holman: Anything else Council Member DuBois? Council Member Wolbach.

Council Member Wolbach: I'll definitely be supporting the motion. Thank you for crafting it. I think it's direct, it's to the point. I just want to ask colleagues and also Staff if we should include anything about the Section 190 or Section 130 in this motion, just to knock it all out together, and if Staff needs any direction in this motion regarding Sections 190 or 130.

Mayor Holman: Jim.

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Mr. Keene: I don't think we need direction on 190 really. I mean we're just not going to pursue that at this point in time, so I don't think you need that. We probably can proceed with the 130 piece without your motion. If you want to ensure that we do, then you can go ahead and make that.

Council Member Burt: I think it's appropriate that we go ahead and add an "F" then, that is direct Staff to pursue interim grade crossing safety measures through Proposition 190 and through other means.

Council Member Wolbach: Do we want to ...

Mayor Holman: 130 (crosstalk).

Council Member Burt: 130, 130.

Mayor Holman: 130, David.

Council Member Burt: Everybody got me on that one.

Council Member Wolbach: If I could just speak a little bit more.

Mayor Holman: Council Member Scharff, are you good with that?

Council Member Scharff: I'm good with that.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "direct Staff to pursue interim grade crossing safety measures through U.S. Code Title 23, Section 130 (Railway-Highways Crossing Program) funding and through other means."

Council Member Burt: Let me just add to that that interim safety measures are a real need for us, and they're not to be confused with a longer-term solution. Both are needed, and there may be some measure that really could provide significantly greater safety than what we have today.

Mayor Holman: Council Member Wolbach, back to you.

Council Member Wolbach: Thanks. Thank you for that addition. Kind of taking off something—just a quick comment on this. Responding to something, I think, Council Member Burt said about taking the bull by the horns. I think it's important that we're really taking the initiative. I think this is really important as far as how Palo Alto comes together to focus on our future and to focus on the core challenges we're facing. I'm really excited about this. I'm really excited about us even recognizing that this is going to be a heck of a job. It's a funding nightmare. It's a logistical

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nightmare. It's a construction nightmare. It's a lot of challenges, but it's critically important that we're united around seeing it as a challenge but recognizing that we can't wait forever to do it. We're not going to wait for somebody else to do it. That gives me a lot of hope.

Mayor Holman: Vice Mayor Schmid.

Vice Mayor Schmid: I'm supporting, especially the notion of the Rail Committee reforming since this does take intensive work. Just a couple of clarification questions. "B" mentions the Context Sensitive Solution. The first step in the Context Sensitive Solution is to get a shared stakeholder vision. I guess I'd like to add some idea of who the stakeholders are who would be committing to build the shared vision.

Council Member Burt: Are you asking the maker? They didn't make the motion.

Vice Mayor Schmid: The maker or ...

Council Member Burt: Part of this process is essentially the opposite of your fear in the Context Sensitive Solutions. It is intended to be a broad, inclusive group of stakeholders. If you kind of look through the materials, this is why it's been successful. Context Sensitive Solutions came about on major highway systems in response to the traditional method where a state highway agency would want to build a freeway down the middle of a town, and they literally had an acronym for that. It was DAD, design attack defend. That was the process. Very interestingly, the lead project engineer for this system, High Speed Rail on the Peninsula, has recently come onboard here when at the LPMG meeting when I brought up Context Sensitive Solutions, he said, "I think it's great. I've worked with it extensively at Caltrans. It is a very effective process." You look at communities that have participated in it, and grass roots membership in communities. It really has been extremely effective starting with defining the issues. Let's not get ahead of ourselves of asking who they are specifically. The intention is to be extremely inclusive and deliberate.

Vice Mayor Schmid: Good. I guess we're just asking for it to come back. When it comes back, we'll have some places to look for its success. Second question. On the circulation study, I guess I noted last week in the Maybell-Arastradero, there was a mention of "we have a new Palo Alto traffic model that came up with surprising results." I suppose that the first phase of the circulation study will share insights from the new traffic model, what it's based on, what kind of numbers are generated, what assumptions are in it. Is that where we're headed?

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Mr. Mello: We could use the model to look at different alternatives, different circulation alternatives. It would be a very effective tool to look at motor vehicle circulation.

Vice Mayor Schmid: Is there anything else we have that would look at ...

Mr. Mello: There's the regional travel demand model which looks at it at a larger scale. We have some fairly significant sets of data that we collected through the Bike Boulevard program that look at bicycle and pedestrian activity along some of the corridors, some of which cross the Caltrain corridor.

Vice Mayor Schmid: I guess just as a Council Member, what we have to look at is the existing conditions report. When you come back with the first phase of the circulation study, it might be good to lay out the alternatives and what differences come out, depending on the assumptions you're making.

Mayor Holman: Council Member Berman.

Council Member Berman: Thank you. I support the motion. If you think about it, this is the biggest undertaking, the biggest project this City will take on at least in the next decade. I don't want to guess what's going to happen after that. This is massive. We all know that the status quo isn't sufficient for our future needs, possibly even for our current needs. The motion and this process gives this issue the attention, the time, the broad community input, the Staff time, the Council time, the Council expertise that it needs to do it right. We can't afford to do it wrong. I think it's definitely time that this get elevated towards the top of our priority list of things that we really spend a lot of time on. The sooner we do it and the sooner we come up with a more concrete idea of what we want as a community, the sooner we can start dictating to other agencies what's acceptable and what's not. This lets us get to that point. I think it puts us in a much better position of starting to get the decisions that we want from other agencies and the resources that we want from other kind of measures that we'll need to be able to fully fund this. I mean, I think it's exciting. Personally, I'm very energized by the conversation we've had and the future of this. As others have mentioned, this is the next 50 to 75 to 100 years of mass transit on the Peninsula. It's going to impact so many different people and walks of life and communities. Let's make sure that we actually do it in a way that makes sense for 75 years from now.

Mayor Holman: I have a question, perhaps it's for the Staff before it's a question for the maker of the motion. We've had this conversation this evening, and we've had conversations prior to this evening about circulation

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and about comprehensive planning. In the past, it was a City Council Rail Committee. I'm wondering if this point in time it really should be a City Council Rail and Circulation Committee. I want to ask Staff that, because is that going to be so big that it's going to be unwieldy for the Committee. I think of the housing committee. We didn't deal with just affordable housing; we dealt with all manner of housing having to do with the State mandate. I'd actually like Staff's opinion first. These things are so interrelated, and I don't want the Committee's hands to be tied by not talking about a variety of things that you can imagine might come up.

Mr. Keene: Thank you, Madam Mayor. It's a good point. One, I would be concerned that rail and circulation could be confusing; somebody might think that its charge was circulation beyond just the rail issue. Secondly, anticipating your other point, I'm assuming that at some point these questions about either a deeper dive in circulation or these engineering analyses or the financing plan strategies would be also things that would be in the wheelhouse of the reconstituted Rail Committee. I don't think you're going to move things ahead with just the circulation component. That's going to be used to inform those next stages, unless I'm not seeing it correctly. That's the way I would see it. I would think you would not want to be trying to limit what you mean when you say you're reconstituting the Rail Committee. I think clearly your motion here already anticipates some of the first work we'll be doing will be on circulation as it informs rail matters, Caltrain matters.

Mayor Holman: Thank you for the input. That's why I wanted to ask Staff first. With that, the motion on the floor is A, have the Mayor reappoint the City Council Rail committee; B, direct Staff to return in the near future with a preliminary plan for a Context Sensitive Solution to address rail impacts and the future of rail in Palo Alto and the mid-Peninsula; C, direct Staff to return with a first phase circulation study; D, in two parts, direct Staff and Mayor representing the Council to convey clearly to both the High Speed Rail Authority and Caltrain that (1) the full Context Sensitive Solution should be retained for the process of High Speed Rail along the Peninsula, and (2) the timeline for the EIR along the Peninsula should be adjusted for adequate timing for the EIR and adjusted for time needed to fully integrate CSS in the process; and finally E, direct Staff to pursue interim grade crossing safety measures through Section 130 and through other means. With that, vote on the board please. That passes unanimously with Council Member Kniss absent and Council Member Filseth not participating.

**MOTION AS AMENDED PASSED:** 7-0 Kniss absent, Filseth not participating

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Mayor Holman: Jim, did you have something to add?

Mr. Keene: Yes, Madam Mayor. We are going to be coming back soon with a report on the motion and what we'll be doing. Can I get the attention of the whole Council? I want to be sure that we understood that you are not right now directing us to getting into further detailed engineering work on options or really on any kind of strategic financing plan linked to those options, because those things are interconnected. That is down the line a little bit. Right?

Mayor Holman: I don't read those into the motion. Council Member Burt?

Mr. Keene: Good, just want to be sure.

Council Member Burt: Correct, but not too far down the line.

Mayor Holman: With that, shall we take, like, a three minute break and call Council Member Filseth back to our midst?

Council Member Scharff: (inaudible)

Mayor Holman: We'll take about a three minute break.

Council took a break from 8:24 P.M. to 8:33 P.M.

Council Member Filseth returned to the meeting at 8:33 P.M.

Mayor Holman: Council Members. Council Member Filseth has rejoined us for Item Number 3 or Portion Number 3 of our only item on today's agenda. If we can call back to order. Staff, do you have any additional comments to make before we proceed?

Mr. Keene: No, Madam Mayor.

Mayor Holman: If we could get the public's attention too please. Staff.

Mr. Keene: No, I think you're good. I don't know if we need to read the title again. I mean, I think you know what the subject is here. The City's interests and strategies regarding the proposed Santa Clara County transportation sales tax measure, including a potential City of Palo Alto transportation funding measure or other funding strategy.

Mayor Holman: Council Member Filseth, you missed the first part of the conversation, but I would imagine that you were listening in. We are ready to talk about the funding measure as City Manager Keene just described. Council Members, why don't we do the same thing this time as we did last.



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If we could go through in a five-minute sequence of questions and comments. Council Member DuBois.

Council Member DuBois: I have a quick question for Staff. When County Commissioner Joe Simitian was here, there was some discussion—actually I guess it was Carl Guardino—about who put the ballot on the measure and who would manage the funds. Does Staff think it would make a difference to what would benefit Palo Alto the most, whether it was VTA or the County Commissioners? (crosstalk) if you want.

Mr. Keene: No, I don't think we should—I think we just need to observe and study that just a little bit more right now, before we could give you that answer.

Council Member DuBois: I had a question about the 179 million which I think we addressed. I would just say whenever we're doing this financial plan, let's really look at the timing of the funds. There's no way we could spend all that money upfront, so we wouldn't have to incur all that interest, fees and things. I think that was the difference. It was basically a lot of financing.

Mr. Keene: (inaudible)

Council Member DuBois: I sort of stated it before, but I think we need to be really hardnosed and clear about what we want in a sales tax measure. If you look at the San Mateo and Alameda County recent transportation measure, I think they specified the percentage of the bond that would go to different transportation projects. I think that's what we need to get. Not some vague promises, but that a certain percentage will be spent on grade separation, on local streets, on highways, whatever the different categories are. So far I haven't really heard VTA talking quite that way. I mean, they did talk about a cap on BART which is great, but I think we should really push for a percentage of the bond for each category. Again, I think this isn't just about Palo Alto residents; it's about Palo Alto and North County as a major job center for the entire county. A lot of these projects would benefit a lot of people. I'm really interested in what my colleagues have to say about kind of the difference between the County or the City. I don't think we want to do both, and I think that was kind of one of the options in the Staff packet. I kind of see them as either/or. If we were going to do our own, there's a lot of work to do, a lot of polling, to determine kind of exactly what we would do. We're kind of running out of time. That's it. Short comments, but I'm really interested in what my colleagues have to say.

Council Member Wolbach: Just a couple of things to start out with. On the top of page 20 of the Staff Report, it references—it starts on page 19 and

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goes to page 20—it lists the suggestions from Staff about the future of advocacy. I had a tweak I wanted to make on one of those, but I wanted to check are we using those criteria, those principles in our communication. If I had a qualm with one of them, should I ignore it because they're not being used anymore anyway? This is bottom of page 19, top of page 20.

Mr. Shikada: I think at this point, the discussions that Staff has had with VTA have attempted to reflect these general principles. At the same time, VTA's really simply trying to flesh out interests. It really hasn't gotten to the point of these being directly, I'll say, operational in terms of our advocacy.

Council Member Wolbach: There's one at the start of page 20 that I wanted to identify. Where it says any roadway expansion should prioritize high occupancy vehicle or HOV lanes, I would suggest that as a City we adopt something similar to that, which is any roadway expansion should prioritize HOV lanes but even that only as a second choice to single occupancy vehicle trip reduction measures such as transportation demand management. I think we should be clear that if there has to be a roadway expansion, it should focus on HOV lanes. Roadway expansion is not our first priority particularly with roads in Palo Alto, such as Page Mill Road. Our priority as a City, and it seems very clear Stanford's priority as well, is not to spend a lot of money on roadway widening in advance of doing TDM. Perhaps we invest significantly in TDM, and then if we also needed to look at roadway expansions, we can do that. This does not relate to—you know what I'm talking about here—does not relate to improving intersections or things like that. I think that we should be clear about that. When we had the County here, they seemed pretty clear to me that they thought they had one tool in their toolbox, and that was widening roads. I think it's important that we send a message that we expect that transportation planning in Santa Clara County will be more sophisticated than to look at every problem as a nail just because we only have a hammer in our hands. Another thing I wanted to mention on this. There was some discussion earlier, I think, from the public about how we make sure that if there's a pot money in the VTA sales tax measure for grade separations, how do we make sure that that is equitable, that we can have access to that in Palo Alto, that we don't miss out on that. I think it is important that they don't just allocate that money based on who has their projects ready to go the day after election day or on January 1st following the election. There should be perhaps an 18-month or 24-month time period following the passage of the measure before people could put in their applications. If there are more applications than there's funding, it should be clear what criteria will be used to prioritize, highlighting the need and key elements of need being safety and circulation necessities. Those are a couple of my top priorities for things we should be thinking about here.

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Council Member Filseth: Thank you. Folks, I wanted to ask a question about some numbers in the Staff Report here. On page 19 in the discussion of the VTP 2040 process, it says an estimated \$40 billion in projects and programs were submitted for an estimated \$20 billion in potential funding including future grant funds as well as sales tax funding. Most of the numbers we've seen about the sales tax funding are over 30 years it'll raise \$6 billion. Am I reading this correctly that the implication is that if the County raises \$6 billion, they think they can get another \$14 billion in Federal and State grants? Is that where that number comes from?

Mr. Keene: Correct, that's what Staff is saying.

Council Member Filseth: When the Silicon Valley Leadership Group was here a couple or three weeks ago, I remember one of the questions we asked them was if you look at past transportation tax measures that raised money here in the county that were augmented by Federal and State funding, how much Federal and State funding did we get. I believe Mr. Guardino's answer was over the last four transportation tax measures, that had been augmented by about 25 percent. \$14 billion relative to \$6 billion is about 200 percent more. Is there any more detail on why this one will raise such vastly larger amounts of Federal and State funding than the last four transportation tax measures? Is there any more detail on that, that we've been given?

Mr. Mello: I would just like to state that we have the latest list of projects that were submitted to VTA. The total request was actually \$48 billion. I would guess that a significant number of those projects may have funding already dedicated in the regional TIP, Federal and State funding. There's also the new cap and trade funding that's available directly from the State. We're being joined by Jim Lightbody who may have a little more information on that.

James Lightbody: I just wanted to add that that 14 billion includes the 2000 measure which is raising about \$7 billion. That's a big chunk of it.

Council Member Filseth: Is that right? The 2000 measure which is raising another \$7 billion, that's not allocated to projects and that's available for these projects?

Mr. Lightbody: It is allocated to projects, but those projects are in the 40 to 50 list of projects. They're trying not to double count it.

Council Member Filseth: One of the things that's going to be of interest to this Council is sort of how money is going to be available for things like

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grade separations and so forth. Whether it's 6 billion plus 25 percent or 20 billion, it's going to make a significant difference. Thanks very much.

Vice Mayor Schmid: I guess just a follow up on the leveraging issue. We're presented with the transportation sales tax measure, and this has been the source of County funds for the last 30 years and will be an important source of the future, but it is a limited source. For our needs, grade separations, trenching and so on, we need leveraged funds which go well beyond what we could get from this measure. What is the connection between this measure and being able to get State, Federal grants?

Mr. Keene: Maybe before you guys answer, it's not just the measure itself; it would be the particular projects or purposes within the measure have some impact on what sources can be leveraged. Right? I mean if we've got transit dollars, that's going to be potentially leveraged or matched by Federal transit dollars, which is going to be a different situation than Federal highway funds and those sorts of things.

Mr. Mello: Just to cite one example of a grade separation that cobbled together multiple funding sources, the recently completed project in San Bruno accessed Section 190 funds, it's maximum allowance for Section 190. There was also a one-time infusion into the Section 190 program from Proposition 1B; that was \$150 million in bond funding that was infused just at one point in time into Section 190. Something similar could occur in the future. MTC programmed Federal rail funding for the grade separation. San Mateo TA was able to contribute its dedicated stream of revenue that it has dedicated to grade separation. It was a \$160 million project; the funding was split out among many different programs. I think any large project is going to need to include multiple sources of funding. The County sales tax revenue would just be one piece of that.

Vice Mayor Schmid: I guess the amount we would get from this is a small portion of what we need if we're going down the grade separation route. The question is then is it too early for us to start trying to put together packages of funding that we need to have a sense of who would participate in what way. I think it's clear our issue deals with intense commuting activity along the corridor. Clearly it benefits jobs in the City more than residents. How do we get the business community to participate in the cost of making this effective in the future, either through fees or taxes or some way. It seems to me that we have to put together financing ideas, packages of which the sales tax might be a portion, but probably a minor portion of the total. Is it premature for us to be committing to a County tax for the next 30 years before we have a clear notion of our needs, the cost of our

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needs and the participation rates of the various parties in that? That would be the base question I would have.

Mr. Shikada: I think as has been somewhat discussed previously, the fact is likely that we're into an iterative process in identifying some initial options for further evaluation including the County's sales tax, any potential City-level measure. Based upon the Council's priorities and, as you point out, issues of who pays, whether it be sales tax, other funding measures and ultimately to what extent it reflects the Council's policy priorities there, that we come back, evaluate options and take another round based on further feedback down the road.

Vice Mayor Schmid: I guess the only question is can we get up and ask people to approve a sales tax which they will start paying and will be paying for 30 years before we can say it will be shared in this way or that way. Might we be in a better position six months from now, nine months from now, a year from now to tell people vote for this and we're more likely to get that.

Mr. Keene: I'm sorry, I had a parallel comment I was going to make, Madam.

Mayor Holman: All right. Thank you. Council Member Burt.

Mr. Keene: Before we do that, could I raise ...

Mayor Holman: Sure.

Mr. Keene: I think this is an interesting tack that has materialized here about this leveraging of, say, Federal funding. We're looking at it at a gross level without being able to say how much are in these different funding categories like FTA versus FAG, all of those things. Even just assuming that it was sort of straight, what Jim was saying was out of the 20 billion with the \$6 billion County sales tax, 14 billion of which half he's saying really belongs to the prior measure. That's, again, in a gross way saying half of it is leveraged by this new measure. That's almost one to one. Again, all of this is at a gross level. If we're 7 percent of the sales tax generation even in the County, which is correct, out of \$6 billion that's \$420 million, unless I'm doing the math wrong. If we had a 1:1 leverage ratio that we also would somehow want to factor into having a better understanding, suddenly there's a lot more money there. It goes to the comment Council Member DuBois made earlier about if we had this very small pool of money, then why would we even think about a County sales tax. We might look at a different option. I think we ought to pay careful attention to what the potentials are on the County sales tax. Even though there are a lot of other funding

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sources we want to explore, we do have some deadlines to meet as it relates to our strategy for the County sales tax. It's one year to the election on that right now. I mean, I still think that ought to be sort of the first priority of what we're doing, and then these other directions come in if our estimates are wrong or whatever it is. I don't think we should right yet assume that the sales tax can't generate some meaningful money for us, at least based on if we can leverage other money.

Mayor Holman: I'll come back to you. Council Member Burt.

Council Member Burt: I'll just follow on with a few quick comments first on the potential leveraging dollars. One is something we discussed when Carl Guardino was here. Briefly we discussed I should say. We shouldn't just look at what is the necessary or fair share of this tax measure to the North County and Palo Alto. It's really what's the fair share out of the last several tax measures. They were overwhelmingly for BART to San Jose. BART and Caltrain are really the big transit backbones of the Santa Clara County. I would argue that Caltrain is significantly more important than BART. That certainly has not been how the tax dollars have been allocated. There's really a need for a readjustment, that this measure should be predominantly toward Caltrain and enough money to complete the BART measure. They're talking about \$1 1/2 billion for just the BART measure. VTA is talking about some fraction of that for Caltrain after Caltrain got nothing out of the previous two measures. I think we haven't framed it quite correctly. I think that's how we should do it. As Vice Mayor Schmid has alluded to, the dollars that are spent here on transit predominantly serve the workers from throughout the county who work here and have to commute to get here. It's not principally local residents who will utilize those benefits. It's the workers who will use that system and free the other roadways between San Jose and here and elsewhere. If we don't have more use of Caltrain, we'll have even worse and worse gridlock on our freeways. I look forward to the Mayor sharing if there's been any response by the nine North County cities to the poor response that the VTA gave to their unified letter. I'd also like to just comment on my own thoughts about where we're headed on some of these other leveraged funds. We've always had major transit projects be a combination of funding sources. Not always all the buckets, but from Federal and State and regional and local. Some combination has been what's been necessary. There's hardly a project that's ever all one of those buckets, and very few that get to dive into all of them, but a good number. The big one that I see on the horizon of new money is the cap and trade. In part, it's going to be a lot of dollars either way, and growing dollars every year is the anticipation. We also have the question of whether High Speed Rail will hold onto those dollars. They're being challenged on two different levels legally. One, whether spending it on a system that will have no

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benefit at all toward greenhouse gases before 2020 and nominal after that. It should be 25 percent of all cap and trade dollars, and that's being challenged legally. The second was whether it was adopted properly when it was adopted as a fee rather than a tax. We'll see what happens on both those fronts. That's not up to us to decide, but those are wide open questions. Even if High Speed Rail holds onto those dollars, these are billions and billions of dollars per year that should be going toward real projects that will reduce greenhouse gases. I think we're going to want to seek a clear commitment to the Caltrain funding from VTA, and we want to rally our other cities and the business community. Frankly, we've heard that the Leadership Group has been supportive of Caltrain, but we continue to believe that it is disproportionate support for its importance in comparison to BART. I also want to get talking in the next go-round about our local tax measure. We've talked about a local sales tax measure as an alternative to the County one, but I think what we really should be talking about is a long-term funding source for local transit. Not to fund Caltrain predominantly, but to fund our entire TDM program and the potential of a business license tax based on number of employees.

Council Member Berman: Council Member Burt brought up something that triggered something I was trying to look up. I'll do it in a little bit. A couple of questions.

Mayor Holman: Do you want to take that time, and I could call on Council Member Scharff next? It's your call since you have the order.

Council Member Berman: No, that's okay. Appreciate it. The first thing is on packet page 19, the Council adopted the following priorities in regards to the tax measure. It seemed off, and I just checked with the Minutes. We had actually deleted—right now, one says dedicated funding for Caltrain grade separations in Palo Alto or North Santa Clara County. We deleted the "or North Santa Clara County." That should not be in there. In "3," better first and last mile service particularly in North Santa Clara County, we deleted the "particularly in North Santa Clara County." I won't bother restating the reasons for that. I'm the one who proposed those, so that's why it stuck out to me. Those shouldn't be in our priorities. I have a question. Number 5 on packet page 20, the local street and road pavement maintenance allocations with a possible provision of unencumbered local funds if an adequate pavement maintenance level is achieved, does anybody remember what that amount was going to be approximately?

Mr. Mello: The list that was released last week at the VTA/TAC meeting currently shows 1.2 billion for local street maintenance.

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Council Member Berman: Do you happen to know what that would mean for—I mean, will that be allocated on a per capita basis or on a road miles per city basis? What's the allocation?

Mr. Mello: We have a chart that shows historic allocations by jurisdiction on other tax measures. Palo Alto was between 2.6 percent and 3.5 percent on that table.

Council Member Berman: What was the table?

Mr. Mello: The table is a breakdown of the 2014 Measure X allocation, the vehicle registration fee allocation, population share, OBAG guaranty and 1996 Measure B. They all had varying percentages that range from 2.6 to 3.5.

Council Member Berman: I guess one thing to consider is I'm assuming that our pavement condition index will be above the maintenance level that they set to unencumber the funds.

Mr. Keene: I mean right now we're going to hit ...

Council Member Berman: We're at 79, right?

Mr. Keene: Yeah. We're going to hit—what was our target again? 85.

Council Member Berman: 85 by 2019.

Mr. Keene: Yeah, we were going to hit that by 2019.

Council Member Berman: The goal was initially 2021. That could be a source of funds that we could use for other projects. I'm not sure what that 1.2 billion would lead to on an annual basis or on a total basis or anything like that, but hopefully something that could help us chip away a little more at that total project cost for grade separations, if that was what we chose to put it towards. I agree 100 percent with Council Member Burt that we should start talking to our State legislators about possible ways to obtain cap and trade funding for grade separations in particular. I don't know if money is going towards Caltrain improvements in general. We should also figure out which cities are looking at grade separations and how many different legislators there are that represent those cities, and see if a coalition could be developed to start pushing that goal. The thing that I was thinking about, that I'll do a little more digging into, is we have a lot of big companies in Palo Alto, Menlo Park, Mountain View, along the Caltrain corridor that are probably members of the Silicon Valley Leadership Group, and Stanford University. Why don't we start reaching out to those folks to



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start emphasizing to them the importance that Caltrain plays in their workforce and what an important opportunity this tax measure could be to make some critical improvements to Caltrain that will benefit their workforce for decades and how maybe they should start speaking up a little bit on the importance that Caltrain plays to them as businesses and hopefully emphasize more to the county as a whole the importance that Caltrain plays and how long term it should be getting equal attention and over the past two tax measures it's gotten a miniscule amount in comparison to BART funding. That could be another way to just emphasize to folks, VTA and SVLG, the importance of Caltrain and the need to allocate more funding towards it. I also think that—I've heard nothing but good things about the approach that San Mateo County has taken in terms of how they allocated their tax funds to grade separations and then the process for communities to obtain some of those funds. Unless Staff is aware or other folks are aware of complaints about that process, it seemed to have been a process that worked pretty well and one that we should look into emulating for San Mateo County's tax measure as well. Did San Mateo County allocate a specific percentage of their tax measure to grade separations in particular?

Mr. Mello: Yes, they allocate 15 percent which is a total of about 250 million.

Council Member Berman: For them.

Mr. Mello: For them, yes.

Council Member Berman: For us, would it be about a billion just for grade separations? That would give cities the kind of guaranty they need. I think that's an interesting concept that we should consider.

Mayor Holman: Council Member Scharff.

Council Member Scharff: Thanks. A couple of thoughts on this. First of all, I agree with Council Member Burt on the issue of the funding. I'm hoping they'll limit BART to 1 1/2 billion. I think if they give BART more than 1 1/2 billion, I think it'll be hard to support that frankly. The bigger difficulty is, as Staff said, 750 million to 1 billion is what they're thinking about for Caltrain. I think we should be at that 1 1/2 billion to make up for Caltrain. The question is how do we leverage to get there, what does that take, what does that mean. First of all, I think it's really hard to get a transportation measure on the ballot in the county. I don't want to screw that up. I'm going to say that to start with. I think, Tom, you started it with the question of do we want the Supervisors to put it on or VTA. I believe the Supervisors didn't put it on initially the last go-round; VTA did because they needed four out of five Supervisors and they couldn't agree. They may not agree this

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time and getting four out of five Supervisors to agree. It's actually really difficult to get the transportation measure on. I think what we want to do is try and advocate for a measure we can support. If there's a measure we can't support, we could frankly put on a countermeasure of a 1/2-cent sales tax which would probably kill their measure. I mean, if people had a choice of voting for our measure or their measure, they may not get two-thirds to support their measure. If you're thinking about leverage on the measure, putting on our own measure really makes it unlikely their measure will pass, if we do a 1/2-cent for instance at that. That whole train of thought in my mind is how do we get there, how do we get what we want. The other thing I'm thinking a little bit about is the San Mateo process. If we did our own mini San Mateo process, I guess I'm going to ask Staff this, and basically went for 1/4-cent sales tax increase and dedicated that purely to grade separation stuff, it only generates—what is it? \$6 1/2 or \$6.8 million a year. I suppose that probably increases as our sales tax increases. Does that provide the base funding where we can go out then and do the work that we need to do to seek those other funding sources, State, local and Federal funding sources, that allows us to do our own San Mateo-type process to move that forward because we'd have \$7 million a year roughly towards grade separations. Is that something that's worth pursuing or does that make no sense? If we're not going to compete with the current transportation measure, we don't have to put it on now, because that 1/4-cent will still survive. We could think about that and put it on later, or we could put it on in a June election. We could do other things. I'll ask Staff what they think about that, if that's a worthwhile approach.

Mr. Keene: (inaudible) I think we want to look at this (inaudible) looking at.

Council Member Scharff: If we wanted you to look at that, we'd just direct you to go ahead and look at something like that I suppose.

Mr. Keene: I mean, it's just sort of run some combinations of the numbers under these different scenarios. I mean, this is funding that would be used in conjunction with other funding.

Council Member Scharff: Obviously that's not enough to do grade sep. I mean \$7 million a year or \$6 million are not going (inaudible), but it may do all the design work that you need to do and some matching funds. I don't know. Sometimes these matching funds, from what I understand, they only require you to put in 10 percent, right? Obviously 10 percent of \$7 million gets you—if you had \$70 million up there, that actually starts to be some serious moving the—I like that—moves the needle. I don't think we really have enough information at this point to be wanting to put on our own measure. I fear that we'll never have enough information, because it'll be a

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moving target of what the actual measure is going to look like. We may want to think about if it's not a measure that we can live with, are we going to oppose it. Are we going to be—I guess it depends on how much money goes to Caltrain and other things. I think as a Council we probably need to think about that, so we're not in a reactive mode. I mean, if it comes back and Caltrain is only getting \$750 million, are we going to support that measure? I think we need to start thinking about that beforehand and maybe even take positions on what we think we need in that measure to support it. Thanks.

Mayor Holman: A few things here. I can't imagine that the full hand is going to be played out before the election. There's going to be a smorgasbord of things that funding could go to. The public isn't really going to know what they're voting on before the election. If Staff has any different opinion on that, I'd really like to hear it. I don't see anybody jumping forward. How project prioritization is going to happen too. I've been advocating for jobs density as being one of the ways to prioritize, because in the past it's always been housing density. Really what we have and where the ridership comes from is jobs density. Are we even going to know before the measure what the criteria is going to be to determine funding? Sort of akin to what Council Member Scharff was saying, I've told a number of people that I think 25 percent of a new tax measure for BART is too much, especially when you consider that that's more money than is being considered for Caltrain. One of the numbers that I don't know is what BART ridership in Santa Clara County is compared to Caltrain ridership in Santa Clara County. If somebody has that, it would be good to know that too. It's another way to rationalize what the investment should be. It sounds like maybe Tom or Pat have that number. Essentially because of the importance of Caltrain, the ridership and because the past two measures lion's share has gone to BART, I think 25 percent is still too high. A comment about Palo Alto and not road widening. Our Comprehensive Plan talks about not widening roadways, so I think we're fairly covered there. I still think, and you heard from the other cities, that a comprehensive study before the bond measure would be ideal to determine how the money should be spent. I don't know if there's any rational way to require a study to be done prior to any determination of allocation of funds, but a study needs to be done. I mean, that's just clear. Congestion relief such as was in the eleven city letter, extending up to San Francisco, down to San Jose and beyond and East Bay as well, because we're all a coordinated—I shouldn't necessarily say coordinated. We're all in interlocking transportation, roadways and systems. We need to know what the best way to spend the money is to get the best congestion relief. Without a study, we don't really know that. Council Member Burt asked a question about what other Mayors have said about VTA's response. We haven't had another meeting; we're going to

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have another one soon. In just running into various events some of the Mayors, I won't name names at this point in time, not that I could remember necessarily or specifically or inclusively, but the response has been pretty much as you would expect. It's like they aren't listening, because the letter was pretty emphatic about the study. I don't think that there's been any commitment either. It's just the possibility of allocation of funds to those cities who have actually made great improvements on their roadway surfacing, the pavement maintenance. There hasn't been any commitment to that yet. It's just one of the things they're considering doing, right?

Mr. Shikada: That is correct. There's been no commitment. It is one of the issues that has been discussed. I will tell you that in informal discussions among Staff from the North County cities, there's a recognition that since our—a bit of a dilemma here. In one sense, since our pavement conditions are typically better than in, say, San Jose, that having a set aside for pavement maintenance that can be used for other purposes is a good thing. On the other hand, having a large allocation for pavement maintenance then takes away from, let's say, an allocation that could be used for other big things, such as regional Caltrain programming. It's a bit of a dilemma for a city to say we like having local flexibility, but the likelihood is that the larger the allocation for that purpose, the less that's available for major regional projects that might be of importance to all cities.

Mayor Holman: There's where the rub comes in because how the allocation has been misdistributed in the past affects the desire of the cities as well. I have one last question. Timing, should the City want to put its own tax measure on. If you back the timing out, is there time? When would we have to get all the paperwork done, all the filings done and do the necessary leg work leading up to it?

Mr. Shikada: I think the timeframe that we've been operating under is for a November 2016 countywide measure or City measure that the final action and definitions on ballot language would need to occur in early August. Now, for something of the complexity of a countywide measure, VTA is headed toward a spring discussion and pretty well nailing down what the priorities would need to look like in that timeframe. I think actually for a local measure we have a little more time to, I'll say, reach both consensus as well as the action into the spring/summer timeframe. In general, we'd be expecting a pretty clear statement to occur on the countywide measure in the spring time.

Mayor Holman: Yeah, I think they've been talking about March. Maybe you can come back later with what the timing might be practically speaking for

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the City if we decided to go forward with one. A second round, let's see if we can do three minutes on a second round. Council Member Filseth.

Council Member Filseth: I was just going to comment a little bit on the previous discussion about the other 14 billion. It sounds like there's something there, but it's sort of not clear how much of it is in which buckets and how much is committed to which things already and so forth. For us to sort of assume that maybe there's another \$14 billion out here that we could get some of is probably a risky assumption. To Council Member Scharff's sort of posing the question of how could we support a countywide measure, what would put us in a position to be able to do that, just throwing out ideas here. It seems like a couple offhand that are worth considering. One is sort of the allusion to maybe a significantly increased commitment to Caltrain, which would allow us to fund some of this stuff that needs to get done. I agree with some of the people that said we really need to be taking a long-term view here. We need to be taking a 50 or 100-year view of what this is going to look like as opposed to let's try to do a couple of tactical projects for the least amount of money we can possibly do and then regret it 30 or 40 years from. One would be a significantly increased commitment to Caltrain which essentially says the County is going to lead this effort. Alternatively, if there were a robust return to source provision of some kind, potentially our City and some other cities, we could lead it up here in conjunction with other cities around here. Either of those might conceivably work.

Council Member Wolbach: A few thoughts. First, I really want to commend Mayor Holman and Staff for working together to bring together the majority of the cities in the county to write that letter. I want to make sure that's not lost. That represents well over half of the cities in the county, and that it was treated kind of dismissively is very disappointing. I think it's very important that we not allow ourselves to be divided and conquered which can be done by appealing to either our—dividing and conquering can be done geographically and also temporally by appealing to our provincial and our short-term needs. Actually I think I'm going to agree with one of the things Council Member Filseth said, but disagree with the other. I actually don't support the return to sender. If it's all just coming back to us, let's just do a 1/4-cent sales tax for the County and then just let each city do its own 1/4-cent sales tax on top of that. I do think, though, that we should focus on things that are very long term, absolutely agree with that. We should focus on things that are going to have the biggest bang for the buck. That's why the four priorities that we laid out several weeks back are all big picture impacts. I do think it's important that we not allow ourselves to be divided and conquered and we do focus on big impact, shared vision stuff. There's something that's probably going to raise some eyebrows from my

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colleagues. Staff identified on page 20 some of the things where it looks like funding is going to go. One thing mentioned in page 20, Item 4, was San Antonio and US 101 interchange improvements. This just raises the question for me whether we should put our new planned bike/pedestrian bridge on hold while we see what they're doing there. If the new San Antonio interchange is getting redone and they're going to improve bike and pedestrian access through the San Antonio bridge, it calls into question whether we want to be spending our money on a potentially escalating cost, big project with our own bridge. I know that's not going to be a popular comment either on this dais or in the community, but I'm curious to hear more about what's going on with that bridge. I'm curious what's happening with Item 4 on our list of our top priorities, which is we want to support something that VTA said they were putting in themselves. I'm curious how much traction it's getting. That is, for VTA to really focus on supporting transit management associations and other TDM measures around the county. Also, I'd like to point out if we do pass our own, say, 1/2-cent sales tax and the County passes its own, Staff points this out, the Legislature could pass a bill allowing us locally, and Santa Clara County, to go above the overall cap. I didn't check if it was signed or not, but there was a bill from Senator Hill for San Mateo and Santa Cruz Counties to do that. They could do that for us whether that was something we wanted them to do or whether it's advocating for that. As far as what it takes to get our support, one other thing I think we should maybe be clear about—I'll just wrap up real quickly. As far as getting the businesses in North County to support us in spreading the message about how important Caltrain is, we're really starting to get a handle on the future of our planning. The traffic issues, the housing issues, etc., trying to get a balance on the future of our community and the future of our area. The lack of balance has really been driving a lot of the anti-business climate locally. That's raised a lot of concerns among folks like the Leadership Group. Frankly, if they think there's been an anti-business sentiment recently in North County, they should see what it'll look like if Caltrain doesn't get the grade separations and the other improvements that we're going to need. I hope that that's not lost on the business community at large in the region.

Council Member DuBois: On San Antonio, I think we've seen the County plans. I think that was mainly things like entryway for cars to go south on San Antonio. Is that right? Anyways, I think it was part of the County highway plan. I think they showed plans for that. It wasn't Complete Street or anything; it was a freeway. Talking about money for Caltrain, I don't want it to get lost that Caltrain requested about \$700 million for other improvements, nothing to do with grade seps. I don't think those go away. That was electric engines, longer platforms, certain bridges and other improvements, maintenance. When we talk about 700 to \$1 billion for

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Caltrain, I think 700 million of that is for these other projects. Again, I think as a City we should advocate for certain percentages of the sales tax to be allocated to categories. I think grade seps needs to be its own, not just part of the Caltrain amount. If there was something like 1 1/2 billion, 700 million for all of these improvements, 800 for grade seps, we have four of nine crossings, so that's about \$400 million. That's pretty close to the percentage of sales tax we generate, 420 million. As the City Manager said, if we could leverage that, that would pay for the trenching option, and so we're kind of there. I think we need to really advocate for that pretty clearly in terms of what we want. I just want to point out to Staff, on page 21 there's a comment that the roadway submersion is much less than the trench, and that's what we'd most likely get allocated. It really compares one roadway submersion to the trench, which was comparing 184 million to 488 million. Really, if you look at the two roadway submersions, it's 327 million versus 480 million. If you update the property costs that we'd have to seize and you think about the political cost of seizing those homes plus lawsuits, I think you get pretty close. We should be really careful about these kind of numbers, because that's not the right comparison. Those are my comments.

Mayor Holman: I don't see any other lights at this moment. If we have no other questions or comments, we'd entertain a motion for direction to Staff. No one's eager to do that it seems. Council Member Scharff.

Council Member Scharff: I actually thought Council Member DuBois made a good point, that we need to clearly advocate for grade separations in this money. I don't know how far we'll get for it, but I definitely think we should advocate for it. I think we should advocate for that 1 1/2 billion. I also think that Staff should come back to us as soon as there's a clear sense of what the funding measure looks like it's shaping up for. If you think it's in the spring and check in with us, then we should see what we want to do. I guess I also wanted to ask Staff if that's what we want to do, if we want to advocate strongly to put 1 1/2 billion towards Caltrain, include money for grade separations in that, I mean just a broad direction to Staff to go do that and then come back to us as soon as the measure starts shaping up and check in with us, is that sort of the right direction? Does that make sense or am I missing stuff that should be in there?

Mr. Mello: I would just say based on the current discussion that's occurring, we would need a little clarity on specifically what improvements to Caltrain you would like to be included in that. Grade separation is one component of Caltrain improvements. There's also new rolling stock, signalization, station improvements. Currently it looks like some of that stuff might be combined. I would like a little more direction as to ...

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Council Member Scharff: My understanding is that Caltrain has asked for about 750 million for which to do—other people in the room may have a better sense of that than me—things like what you said, level boarding, longer platforms, I don't remember what else they want. There's a bunch of rolling stock. There's a bunch of stuff that they've asked for. Obviously we would support what they've asked for, because they've done the studies. What I was really getting out of Council Member DuBois' thoughts on that was that we should put in there specifically for grade separations, which is not in there. That's really not on the table in terms of going into this funding measure on a countywide basis. I think we should have general direction. What I'm thinking of—I'll probably put that in a motion—\$1 1/2 billion with money for grade separations. Caltrain would get to decide what the rest of it is. I'm open to whatever my colleagues think about it. I want to know if that's enough direction to Staff or do you need more clarification than that.

Mr. Keene: I guess one thought is how we arrive at the figure. I mean, are we thinking about trying to pay attention to grade separating essentially all of Santa Clara County, is what we're sort of advocating, which is one sort of fair way to start about it.

Council Member Scharff: Right. We've got to think about all of ...

Mr. Keene: Whatever that number shakes out to. For whatever it's worth, I mean, I think at this stage, middle of October, the best direction we would have is for the Council to give a very clear message about what you think is absolutely most important. Not to get in an argument with our Staff here, these other components of Caltrain are dealing with long-term carrying capacity, which can't really work without grade sep themselves. Grade sep is even a bigger issue than just capacity for us. I think the Council has made that statement about long-term quality of life and the long-term view. I think that's a good position to ask us as a starting point to be clear about where we are. Right now we've just been responding a little bit and listening to folks. For you to say something even after your first meeting would be helpful. I'll be curious if you would agree. I'd feel even better when we go up to talk to Caltrain about some of these issues, about where the Council is.

Council Member Scharff: I'd move that we direct Staff to advocate for and support putting in the countywide funding measure that's being considered money for countywide grade separation on the order of at least 750 million.

Council Member Berman: I'll second.

Council Member Scharff: I'd say at least.



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Council Member Filseth: It's probably a lot more actually. If you calculate the rest of the county.

Council Member Scharff: Right. Most of these grade separations are actually here and then some other places.

Mr. Keene: You were talking about Caltrain grade separation?

Council Member Scharff: Yeah, Caltrain grade separation.

Council Member Berman: I'll second.

Mayor Holman: Council Member Scharff, did you say 700 or 750?

Council Member Scharff: I said 750 would ...

Mayor Holman: 750 million. Actually I think I heard Council Member DuBois on the left, I think I heard you second it first.

**MOTION:** Council Member Scharff moved, seconded by Council Member DuBois to:

- A. Direct Staff to advocate for and support putting in the Countywide funding measure, funding for countywide Caltrain grade separation in the order of \$750 million; and
- B. To check in with Council when the Measure starts to take shape.

Mayor Holman: Do you want to speak to your motion?

Council Member Scharff: The other part of that would be to check in with us when the measure starts to take shape and then to come back to Council.

Mayor Holman: Council Member DuBois, do you want to speak to your second?

Council Member DuBois: Yes. I think these things are done based on estimated sales tax. I was going to propose that something like approximately 15 percent of the thing be spent on grade seps, which would be 900 million as a starting point. I'm expecting that to go down. Yeah, 15 percent with San Mateo County. I think doing it as a percentage is just a little clearer.

Council Member Scharff: I'm good with doing it as a percentage. I think that may actually be better.

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Mayor Holman: Could you clarify the language for the Clerk please? Council Member DuBois.

Council Member DuBois: Funding for Caltrain on the order of 15 percent of the bond measure.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to replace in Motion Part A, "\$750 million" with "15 percent."

Council Member DuBois: Again I think you just totally separate it from the other Caltrain requests. They shouldn't even be tied together. Just a separate category of grade separations.

Mayor Holman: A question for the maker and seconder of the motion. I know it is, but to be clear, does this need to be clarified that it's in addition to the already considered Caltrain allocation?

Council Member Scharff: Sure, let's put it in there. Why not? Then it's clear.

Mayor Holman: David, this is "in addition to ..."

Council Member Burt: It's "separate from."

Council Member Scharff: "Separate" as opposed to "addition." I agree with you.

Mayor Holman: "Separate from" is better.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the end of Motion Part A, "separate from other Caltrain enhancements."

Mayor Holman: Council Member DuBois, did you have other comments you wanted to make to your second?

Council Member DuBois: I wanted to ask the maker. It's been brought up a couple of times about the process the money will be allocated under the bond. Do we want to speak to that at all in terms of ...

Council Member Scharff: I'm sorry. Say that again.

Council Member Berman: The process.

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Council Member DuBois: We've talked a couple of times about is it going to be first project ready gets the money or what's the process for allocation. Do we want to direct Staff to advocate for a different process?

Council Member Scharff: What did they do in San Mateo County? We've talked about how that seemed to be a fair process. I think we thought that was. We have one of the most complicated grade separations, so we won't be the first projects to be ready. We want to think about what's a fair process, so that if it takes us longer, we still get money.

Mr. Mello: In San Mateo County, they used a very similar process to what the State uses for Section 190 prioritization. They have a host of criteria, average daily traffic, collision history, safety concerns, number of trains per hour, a whole host of other measures. They use those to prioritize all the requests by the different municipalities.

Council Member Scharff: What did you say?

Mayor Holman: Needs based.

Council Member Burt: It's need based, not ...

Council Member Scharff: Why don't we do a need based—why don't we put that in there? If you have language you think might be good, why don't you suggest it?

Mayor Holman: Council Member—I'm sorry, Josh.

Mr. Mello: Just one more point. They also fund design as a first step, and then you enter into construction if you make it through the design phase.

Mayor Holman: Council Member DuBois, are you complete? Okay. Council Member Burt, you are next.

Council Member Burt: Just following up on including something about the criteria for selection of priorities. I would put as maybe a new "B" and drop "C" down that "the criteria for allocating funds to specific grade separations be driven by need factors."

Council Member Scharff: That's accepted.

Mayor Holman: Council Member DuBois, are you agreeable with that?

Council Member DuBois: I'm not sure why we want to say just grade seps.

Council Member Burt: That's all we're addressing here for one thing.

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Council Member DuBois: This is having Staff talk about the tax measure in general, right?

Council Member Burt: This might be as referring to the content of "A" which is the only concrete recommendation we've made here.

Council Member DuBois: I accept it, but I ...

Council Member Burt: It'd be a separate subject how you want to talk about allocation of the other elements of the tax measure. This is just focusing on the grade sep issue. If you want to add something about other elements, then that's a different subject, to my mind.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "that the criteria for allocating funds to specific grade separations be driven by need factors."

Council Member Burt: I wanted to just add a couple of other things then. This really addresses one of the main problems. We touched on it earlier with the High Speed Rail, but it really pertains to Caltrain. We look at what Caltrain has asked from the County. First, they're double dipping on their asks. The rolling stock and electrification, they don't have a \$750 million shortfall for that. What they don't have in their current—they have a what? 200 million or so shortfall, and they've been pursuing it through cap and trade dollars and they just had a large delegation to DC. They're looking at any pot they can. They're putting the full amount here as well as pursuing the full amount in other directions. That's fine; that's how this whole wish list got so big from everyone. It's interesting that Caltrain doesn't prioritize grade separations. In fact, they simply say, "We will support your efforts and your funding for grade separations, but we won't own responsibility for it." Just as High Speed Rail does. Basically, we have these two rail agencies that are externalizing the impacts of more trains. They are treating it as if their whole business is running the trains on the tracks, and they have no responsibility for the related impacts of that action. That's just wrong. Now, we can understand why in an era of limited dollars, especially toward transit, they're going to be tempted to fight for the dollars for the things that occur right on their tracks basically. Overall, it's just a wrong approach. We shouldn't allow for it, and we should be very clear, and other cities should be very clear, to Caltrain that "as our representative, you have to share an ownership for this, and you should be fighting as hard for dollars on grade separations as you are for every other measure." Finally, the Mayor asked earlier about comparing riders in Santa Clara County on BART to Caltrain. We can't quite do that, because there's no BART to Santa Clara County yet. There are projected riderships. The metric is not how many riders. It's how

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many riders per \$1 billion spent. On that metric, Caltrain scores way ahead of the BART to San Jose. The BART to San Jose, not all those dollars are being spent within our county. They had to come from Fremont on down all the way to San Jose and Santa Clara, they think. Anyway, that's the sort of metric that we should be looking at. It's if we had spent \$2 billion on Caltrain or \$3 billion on a fully grade separated Caltrain or who knows what, where would be in that system. We've allowed others to frame how we ought to be talking about this. We've allowed it for 20-plus years on the BART to San Jose question. It's a lot of money to have a partially tunneled BART to San Jose. They have a tunnel under a lake. I mean, we're talking about not even being allowed to consider an open trench, and BART to San Jose has a tunnel under a lake. We just need kind of a realistic comparison and not allow others to dictate the narrative.

Mayor Holman: Could I ask did you want to add as a "D" that Staff develop metrics comparing Caltrain to BART?

Council Member Burt: No. We have a whole bunch of things that are part of our arguments. I don't think we need to put it in the motion.

Mr. Keene: Madam Mayor?

Mayor Holman: Yes.

Mr. Keene: Not trying to intercept any other motions or directives, but I think you have a really nice, clear focus right now. "C" even makes it clear to check in when the measure starts to take shape. It'd be much better for us to be messaging what our Council's focus is. Everybody else will be talking about the other components. We could come back to you and be better informed before you would start saying. In one sense, you almost dilute from your focus right now, and it's not really necessary, would be my thought. It'd be great to even have time of us out there repeating this refrain that this is the focus. If we have a chance to weigh in on other factors that are within the measure, we can do that with you. That's my thought.

Mayor Holman: Council Member Berman.

Council Member Berman: Taking that into account and also taking into account Council Member Burt's points about what is the real funding need for the other Caltrain improvements, do we want to—I'm perfectly content if the answer is no because I'm glad that we have a percentage set for grade separations just like San Mateo County did. Do we want to say anything about the additional Caltrain funding and how that should be either commensurate with BART funding or \$700 million or anything like that? Just

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to make sure that they don't then come back and say here's 900 million for grade seps and 200 million for the rest of Caltrain funding or something like that. It's something that we've talked—up until this point, we've been talking about Caltrain funding should be commensurate with BART funding. Do we still want to have that in here or just kind of make a policy statement on grade seps only and not other things?

Mayor Holman: I think it's likely a good clarification. I also see City Manager's got his light on.

Mr. Keene: I was just going to say your earlier directive tonight asked you to reconstitute the Rail Committee. I'm assuming we're going to have a Rail Committee meeting pretty soon. There are a bunch of these kinds of issues that might be best taken up at that point in time. We might have already had a preliminary meeting with Caltrain ourselves. Just up to you.

Mayor Holman: I think Council Member Berman—I don't disagree with City Manager, but I think Council Member Berman, your point is a good one to make this discrete and in addition to. If you wanted to add that.

Council Member Scharff: I probably wouldn't accept it, just to be clear. I think the reason is that other people are going to be going—I mean, Caltrain's going to be fighting for their 700 million no matter what. We don't need to put that in there. Other people will fight that battle. It'll dilute what we're doing, and we'll gain nothing from it. No one's going to come back and say Caltrain gets 200 million and we do 750 million for grade seps. That's not going to happen. I don't think us putting it in there is going to make it any better and less likely to happen. I think we should focus on this, keep the focus on grade separations, and it'll be the most powerful thing we can do.

Mayor Holman: Council Member Berman, you still have the floor. What is your thinking?

Council Member Berman: That it's just been pulled out from under me.

Mayor Holman: I would second.

Council Member Berman: I don't know, to be honest. That's kind of why I brought it up the way I did. I'll leave my comment as a comment, and see if other folks want to take it up.

Mayor Holman: Council Member Burt, I will put you in line here. You can come back to that. Council Member Wolbach.

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Council Member Wolbach: I'm actually going to propose two amendments. Actually I know one of them won't be taken as friendly, because we just heard that. I'll run with that one. I'll just do that one first, and I'll come back to my second one. I propose an amendment that at the end of the third line of "A" add "in addition to the 700 million already requested by Caltrain for other Caltrain improvements."

Mayor Holman: We know Council Member Scharff will not accept it as an amendment. I would second it. It is 750, I believe.

Council Member DuBois: I think it's 700.

Mayor Holman: Is it 700? I thought it was 750.

Council Member Wolbach: We can say approximately.

Council Member Scharff: We don't know. They're asking for between 750 and a million.

Council Member DuBois: I have a list; I don't know if it's up to date.

Council Member Wolbach: Then we can get rid of the numbers and we can say "in addition to the funding separately requested by Caltrain for other improvements to the system."

Council Member Scharff: We already have that.

Council Member Wolbach: I'll speak to it in a second.

Mayor Holman: Council Member Scharff. I would still second that.

Mayor Holman: Do you want to speak to your amendment?

Council Member Wolbach: Yeah, I would. There are a couple of things. One, I fully respect the idea, as was said before, that nobody's going to say if we spend money on Caltrain grade separation, we're not going to spend money on the other Caltrain improvements.

Council Member Scharff: I don't have a problem with (crosstalk).

Mayor Holman: Council Member Scharff, you don't have the floor.

Council Member Scharff: I would accept this. You didn't ask me if I would accept it or not.

Mayor Holman: You had already said you wouldn't.

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Council Member Scharff: No, I said I wouldn't accept his motion and I wouldn't accept putting a number in it. You then changed it. I said it pretty much says that, but if you want to add that, I would accept that.

Council Member Berman: You hurt my feelings.

Council Member Scharff: It's actually a very different motion.

Council Member Wolbach: All right. I'll just ask the seconder I guess.

Mayor Holman: As the amendment stands, it is "in addition to the funding already requested by Caltrain for other Caltrain improvements." Council Member Scharff now says he will accept that as an amendment to the original motion. Council Member DuBois?

Council Member DuBois: Is that replacing the "separate from other Caltrain enhancements"?

Mayor Holman: No. He said at the end of that. It's after.

Council Member Wolbach: Yeah, I think we would get rid of "separate from other Caltrain enhancements." It's essentially clarifying that. Would that still be okay with the maker?

Council Member DuBois: Yeah, I think that's fine.

Mayor Holman: Wouldn't it be "separate from and in addition to"? You're just losing "other Caltrain enhancements."

Council Member Wolbach: I just want to make sure we're not getting too redundant with all the wordsmithing.

Council Member DuBois: Sorry. I think it should say "15 percent of the total tax measure" to be clear on what percentage we're talking about.

Council Member Wolbach: Yes. As far as I'm concerned, we can add that too.

Council Member DuBois: Council Member Scharff, does that make sense?

Mayor Holman: Hang on just a second. "A" would now read ...

Council Member Scharff: I'm waiting for them to finish it.

Mayor Holman: "A" would now read theoretically "countywide Caltrain grade separations in the order of 15 percent separate from," need to lose the word



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"other," "and in addition to the funding already requested by Caltrain for other Caltrain improvements." Is that your intention, Council Member Wolbach?

Council Member Wolbach: Yes. As Council Member DuBois points out, before "separate" and after the word "percent," so after "15 percent" it should say something like "15 percent of funds raised by the ballot measure."

Mayor Holman: Council Member Scharff, is that still agreeable to you to accept?

Council Member Scharff: That is.

Mayor Holman: Council Member DuBois? Okay.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to replace in the Motion Part A, "separate from other Caltrain enhancements" with "of funds raised by the ballot measure separate from and in addition to the funding already requested by Caltrain for other Caltrain improvements."

Mayor Holman: Council Member Wolbach, you still had the floor. You had something else you said.

Council Member Wolbach: Yes. Thank you both to the maker and the seconder for accepting that. The second one, I wanted to suggest adding a little bit more clarity to Item B here, about the need factors. Again, the point here is we want to make sure that we don't miss out on opportunities to actually use this funding even if it gets included in the ballot measure. What I would suggest adding is in "B,"—we might end up deleting some stuff—for now I'm suggesting as a friendly amendment that "cities have until the end of 2018 to submit applications." I'm open to tweaking the timeline or that we keep an open-ended timeline, but that there be some gap in time is the point here. This is your rough draft; we can work with it. I'm hearing some mumblings, so we can tweak it more.

Mayor Holman: Council Member Scharff?

Council Member Wolbach: There's a couple more pieces. One, that cities have until the end of 2018 to submit applications. Two, that funds from the tax measure could be used to fund design. Three, that—the third part would actually go right after need factors. It would say "need factors primarily traffic and safety concerns." You either want a semicolon or break it into a subpoint.

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Mayor Holman: Council Member Scharff?

Council Member Wolbach: That's the suggestion.

Council Member Scharff: (inaudible)

Mayor Holman: You would need a separate second. I am not hearing one or seeing one.

**AMENDMENT:** Council Member Wolbach moved, seconded by Council Member XX to add to the Motion at the end of Part B, "primarily traffic and safety concerns; cities have until the end of 2018 to submit applications."

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

Mayor Holman: Do you have anything else? We'll revert to the original. Yes, thank you, David. Council Member Wolbach, do you have anything else?

Council Member Wolbach: I'll leave it to my colleagues to consider other ways we can make sure that, whether it's in this motion or in future direction from Council or from Staff, that we're very clear that we don't want those who control the money after this ballot measure hopefully passes hopefully with extra funding for Caltrain grade separations, we want to make sure that those in control of the money don't just for any reason give it to cities who might already have their plans done in November 2016 which would leave us empty-handed.

Mayor Holman: Council Member Filseth and then Council Member Burt.

Council Member Filseth: I just wanted to ask the City Manager's advice on whether there ought to be a timeframe component explicit in this, because things are moving here.

Mr. Keene: I think our reaction right now is it's not clear to me what advantage it really provides us right now. We will certainly be back before the Council in a regular fashion or on an as-needed basis if things start to shift when we get it down. I just sort of hate at the end of a four-hour period to be—I understand and appreciate the intent, but I just think a little more reflection would be good for us right now. That's my sense.

Mayor Holman: Council Member Burt.

Council Member Burt: I've been thinking about essentially the point that Council Member Scharff raised on we need to be the advocates for grade separations. We have seen no indication that Caltrain places a priority on that. I'll point out that Caltrain in their advocacy, they didn't put in equal grade

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separations and their other priorities. They put all of their other priorities ahead of grade separations. We're going back, and we're putting their other priorities on equal ground with grade separations. This 700 million, we haven't had any in-depth discussion. My understanding—maybe Adina knows this better—that's, I think, three purposes. It's to fill a gap in electrification. It's rolling stock, and it's platform lengthening. Presumably the platform lengthening would be just our county's portion of it. The rolling stock and the electrification shortfalls are not county shortfalls. They're for the three county system, and they're coming and asking Santa Clara County to make up that shortfall. We're saying we're going to put that essentially on equal footing with our priority for grade separations. In our good guy approach of supporting Caltrain and wanting to see them modernized, we are—they're not going to bat for us and we're going to bat for them. I would encourage us—actually I'll offer substitute language that we engage with Caltrain to determine what specific needs they have for the prospective County transportation tax measure and return to Council with that information so that Council can make a further determination of its advocacy.

Council Member Wolbach: That'd be replacing the last two lines (inaudible)?

Council Member Burt: Yeah, it would basically replace the last two lines of "A" with this language. I'm not saying no to this, but as of what I know right now, I'm not quite sure that this is necessary. As I mentioned earlier, they're going after these same dollars from other pots. Not only are these dollars to serve the three counties coming out of our funds, but they're going after them elsewhere. I'm not at all convinced they're going to need this. They have a lot of funding sources. They have State at cap and trade. They have Federal dollars they're seeking, have regional dollars they're seeking. They don't have to come out of our limited Santa Clara County dollars, which are probably the most meaningful pot that is going to fund grade separations long term.

Mayor Holman: Could I ask a clarifying question before I look to Council Member Scharff for acceptance or not? Council Member Burt, you said that Caltrain's looking to fill the funding gap in Santa Clara County or from Santa Clara County for the rolling stock even though that rolling stock serves two other counties.

Council Member Burt: It's both. My understanding is it's both rolling stock and electrification shortfalls. It's both those things, or the whole system.

Mayor Holman: Do we know if it's proportional or if it is the gap?

Council Member Burt: To my knowledge, they're not going to the other two counties for these dollars. They're going to the State, MTC and the Federal government; they're not going to the other counties. This is all the more reason why I'm not saying don't do it. I'm saying we need to go back and have

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better information. If we get clarification that this is justified and we support it, then by all means we can support it, but we don't have that information now.

Mayor Holman: City Manager.

Mr. Keene: I think that that would be good. Again, I just want to be sure that the various assumptions that we're using, I mean that we get a chance to validate those too. Just a little bit of extra time. I don't see what's gained by just being a little step-by-step here.

Mayor Holman: Council Member Scharff, do you accept the amendment?

Council Member Scharff: Yes, the answer is yes.

Mayor Holman: Council Member DuBois?

Council Member DuBois: This is replacing what? I would just point out that when you read Measure A as is, I don't think it's advocating support for Caltrain at all. It's just clarifying that we want 15 percent separate from anything that Caltrain says. When I read "A," I don't read that as Palo Alto supporting Caltrain.

Council Member Burt: It says "in addition to."

Council Member DuBois: In addition, I guess, but that's not strong support, I would say. I have no problem with your change either.

Mayor Holman: The amendment is accepted by both maker and seconder of the motion. Thank you, Council Member Burt.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to replace in the Motion Part A, "separate from and in addition to the funding already requested by Caltrain for other Caltrain improvements" with "and engage with Caltrain to determine what specific needs they have for the prospective County tax measure and return to Council with this information to make further determination of this tax measure."

Mayor Holman: Do you have anything else, Council Member Burt? Council Member Berman. Council Member Berman, are you good?

Council Member Berman: Yes, ma'am.

Mayor Holman: Council Member DuBois, I see your light's on again. Nothing? Okay. The motion as it stands on the floor right now is that Council Member Scharff moved, seconded by Council Member DuBois, to direct Staff to advocate for and support putting in the Countywide funding

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measure funding for countywide Caltrain grade separations in the order of 15 percent of funds raised by the ballot measure; and to engage with Caltrain to determine what specific needs they have for the prospective County tax measure; and Staff to return to Council with this information to make further determination of this tax measure. That's getting really hmm. Can we break this up? Direct Staff to advocate for and support putting in the countywide funding measure—can we do an "A" here? Funding for countywide Caltrain grade separations in the order of 15 percent of funds raised by the ballot measure and "B." "B" then would be engage with Caltrain. B, engage with Caltrain to determine what specific needs they have for the prospective County tax measure and return to Council with this information. Would we need anything after "information"? Do we need anything after "this information"? Pat, you had suggested this language. We'll do with it what we know we need to do with it.

Council Member Burt: No, this is fine.

Mayor Holman: After "with this information," delete "to make further."

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to remove from the Motion Part A, "to make further determination of this tax measure."

Mayor Holman: That the criteria for allocating funds to specific grade separations be driven by need factors; and C, to check in with Council when the measure starts to take shape. Council Member Wolbach, you had a question?

Council Member Wolbach: I was just going to say the sub-A should be rejoined with the first "A." The "B" should just be a separate "B." It doesn't need to be a sub, because the "B" here isn't something that goes in the ballot measure. It's separate direction to Staff. That can go up a level. That would make more sense.

Mayor Holman: That does make more sense. I see lights from Council Member Filseth.

Council Member Filseth: This may have answered my question actually. Is it crystal clear that the 15 percent of funds goes to grade separation and is not sort of modifiable by the outcome of this engagement with Caltrain? That we come back and say 10 percent for grade separation, 5 percent for painting trains and so forth.

Mayor Holman: I think it's clear. Council Member DuBois, you have your light on.

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Council Member DuBois: I haven't touched it.

Mayor Holman: It just automatically pops up. I think we have a motion in front of us that we can vote on. That passes unanimously with Council Member Kniss absent.

**MOTION AS AMENDED PASSED:** 8-0 Kniss absent

Mayor Holman: Not bad, it's 10:02. That concludes our agenda items. I had said earlier that I would like to adjourn this meeting in honor of Former Mayor Dick Rosenbaum. Council Member Rosenbaum passed away this weekend at the age of 81. He was on the City Council from 1971 to 1975 and again from 1992 to 1999. He served as Mayor in 1998. To add to his years of community service, he also served on the Utilities Advisory Commission from 2000 to 2009. He also served in a number of other roles on nonprofit boards in the community. Just in elected and appointed roles and official roles, he had 20 years of community service. I would like to close this meeting in his honor.

Adjournment: The meeting was adjourned at 10:03 P.M. in memory of Former Mayor Richard Rosenbaum who passed away on October 11, 2015.