



CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Special Meeting
March 14, 2016

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:03 P.M.

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

Absent:

Closed Session

1. CONFERENCE WITH LABOR NEGOTIATORS

City Designated Representatives: City Manager and his Designees Pursuant to Merit System Rules and Regulations (James Keene, Molly Stump, Suzanne Mason, Rumi Portillo, Dania Torres Wong, Alison Hauk)

Employee Organizations: Palo Alto Police Officers Association (PAPOA); Palo Alto Police Managers' Association (PAPMA); Palo Alto Fire Chiefs' Association (FCA); International Association of Fire Fighters (IAFF), Local 1319; Service Employees International Union, (SEIU) Local 521; Management, Professional and Confidential Employees; Utilities Management and Professional Association of Palo Alto (UMPAPA)

Authority: Government Code Section 54957.6(a).

Mayor Burt: Our first item on the Agenda is a conference with labor negotiators regarding three different unions, our Palo Alto Police Officers Association—actually more than three—our Palo Alto Police Managers' Association, the Palo Alto Fire Chiefs' Association, the International Association of Fire Fighters, and the Service Employees International Union Local 521, and then the Management, Professional and Confidential Employees, and the Utilities Management and Professional Association. We have speaker cards. Before entertaining a Motion as to whether to go into Closed Session, we have three members of the public who would like to speak. Each member is welcome to speak for up to 3 minutes. Our first speaker is Erwin Gonzalez, to be followed by Lena Perkins. Welcome.

TRANSCRIPT

Erwin Gonzalez: Good evening, Council. My name is Erwin Gonzalez. I've worked for the City for about 12 years. I'm a recreation coordinator. I put together the classes for recreation, for seniors and the small children. As City workers, we have contributed to the financial strength of the City not only by providing the best services we can, but also by absorbing our fair share of the costs needed to run this great City. Since the recession, SEIU workers have made substantial concessions and cost-sharing measurements including accepting the flat-rate medical, creating a three-tiered pension system, and increasing employee retirement to the maximum allowable contribution of 8 percent. Also we have significantly reduced the City's employment expenses so much so that, according to the new financial forecast, the cost of our wages and benefits will only grow to 1.8 percent over the next decade. Now a majority of our members are below industry medians, and we cannot recruit and retain workers. We are proposing that the City bring every SEIU worker up to the median market compensation. We're also asking the City to apply across-the-board Cost of Living Adjustments (COLAs) on top of these realignments so that our workforce can afford to keep up with the cost of living in Silicon Valley. In essence, all we are asking is for the City to pay fair wages that keep up with the increasing cost of living in this area. Thank you so much.

Mayor Burt: Thank you. Our next speaker is Lena Perkins, to be followed by our final speaker, Lynn Krug. Welcome.

Lena Perkins: Good afternoon. My name's Lena Perkins, and I'm a resource planner for the City of Palo Alto Utilities. I turned down a number of jobs to work here. I just earned my PhD in engineering at Stanford. Your residents as well as your Utilities Advisory Commission demand high quality services that need really highly skilled employees. By not enabling your employees to stay and perform how your residents are demanding and as required by the Council and the Utilities Advisory Commission, you're tying your own hands. That's just one of the things that makes Palo Alto such a desirable City. Ninety-Three percent of City workers can't afford to live here, especially young people. We've seen what the real estate market has done. This has been such a period of growth and innovation and flourishing economy; to not bring City of Palo Alto workers up to the median doesn't play well, doesn't make people feel valued. It looks sort of penny wise, pound foolish. When we look at the City Manager receiving retroactive wage increases and union members have already given up a great deal, it certainly causes some people to pause and think. I think we know what the problem is. If you perpetually under-resource your employees, you're going to get what you pay for. With that, I'd just like to encourage you to think about the long-term picture and think about trying to preserve some of the things that make Palo Alto such a great place. Thanks.

TRANSCRIPT

Mayor Burt: Thank you. Our final speaker is Lynn Krug.

Lynn Krug: Good evening, Mayor Burt and City Council Members. I'm Lynn Krug, Chapter Chair for the City of Palo Alto SEIU 521 employees. Thank you for considering what is our current proposal. We believe that our current proposal makes concessions that keeps the City of Palo Alto and the City budget well preserved. The City of Palo Alto employees negotiated to maintain a wage that is not top-scale for this area. Other than a few safety dispatch, water quality control positions that you yourselves have acknowledged are impossible to retain at less than median, we aren't going to be receiving top dollar. It is our understanding that the City goal is to maintain employees below median to surrounding comparison cities. This will easily and even further be achieved by June as comparison cities finalize their contracts, and we're further below median. I think that's a fair concession to make. I think we are more than willing to do our part. Even in the last contract as of April, the City Manager acknowledged we're placing ourselves—this is 2015—at the median of the market, but I don't think we're expecting median of the market performance, Keene said. I really think our community and Council and me too, we all expect top of the market performance, yet we're not saying we're going to position ourselves at the top of the market. He also said the SEIU contract—this is a prior contract—offers a fair and balanced deal that seeks to ensure we can retain our excellent employees. Sometimes we forget that the cuts we made before bring us further below median. I think the concessions we've made this contract to this date are more than fair. I think you will continually chase median to retain your skilled and valued employees. When you have 60 percent employees that are in the Enterprise Fund, I believe that you need those skilled, accountable, onsite employees who are going to do their best for this City, well beyond their prescribed duties. Thank you for considering our offer and our willingness to make concessions to receive below median pay for the majority of our workers and to further the budgetary goals of the City of Palo Alto and the City Council. We very much value our work here, and we are dedicated to this City. I hope you understand that commitment and value that. Thank you.

Mayor Burt: Thank you. Now, we'll entertain a Motion to go into Closed Session.

Vice Mayor Scharff: So moved.

Council Member Kniss: So moved.

Mayor Burt: Motion by Vice Mayor Scharff, seconded by Council Member Kniss.

TRANSCRIPT

MOTION: Vice Mayor Scharff moved, seconded by Council Member Kniss to go into Closed Session.

Mayor Burt: Please vote. That passes unanimously, so the Council will now go into Closed Session until approximately 6:00 P.M. Thank you.

MOTION PASSED: 9-0

Council went into Closed Session at 5:11 P.M.

Council returned from Closed Session at 6:04 P.M.

Mayor Burt: Good evening. At this time, the City Council has completed a Closed Session item, and we have no reportable action.

Special Orders of the Day

2. Proclamation Welcoming Exchange Students and Chaperones From Tsuchiura, Ibaraki, Japan.

Mayor Burt: Our next item is a Special Order of the Day, which is a Proclamation welcoming exchange students and chaperones from Tsuchiura, Japan, our Sister City. We have a Proclamation that Council Member Berman has agreed to read on behalf of the City Council. Council Member Berman.

Council Member Berman: Thank you, Mayor Burt. This is a Proclamation welcoming exchange students and chaperones from Tsuchiura, Ibaraki, Japan. Council Member Berman read the Proclamation into the record.

Mayor Burt: Before presenting our Proclamation, I would just like to acknowledge that our Vice Mayor will be running in the Tsuchiura marathon next month. I will come forward to present the Proclamation to the representatives. We welcome you to make some comments.

Makiho Taguchi, Internal Exchange Section of the Tsuchiura City Civic Activity Division: Thank you. Good evening, everyone. Today we are very honored to be here today. On behalf of the delegation, I would like to express our gratitude for you. I greatly appreciate your inviting our 15 junior high school children from Tsuchiura to the Palo Alto City Council today. We are really honored to be here. Actually, this is my first visit to Palo Alto, so I am so excited about this trip. We arrived in Palo Alto last Saturday, and we had welcome party. So many people including their host families and Mayor, Mr. Patrick Burt, welcomed us so warmly. I am so impressed. We are staying here in Palo Alto for the students exchange program which has been performed since 1993. Actually, I was born in

TRANSCRIPT

1993; that means I am as old as this program. It's amazing. This program would not have succeeded over the years without the longstanding efforts of members of Neighbors Abroad, especially Jennifer (inaudible) and Ms. Diana (inaudible). They have been working as the co-vice president of Neighbors Abroad since last three year. They have been making great effort for this program. In (inaudible) as you know, Mr. Gregory Scharff, the Vice Mayor of Palo Alto, will visit us as the guest runner for the Kasumigaura Marathon. We are very pleased to invite Mr. Scharff, and we hope he will enjoy his run and stay in Tsuchiura. Besides students major exchange program, we look forward to developing our exchange opportunities through many programs in the future. Before I close my words, I would like to show our appreciation again for your (inaudible). Thank you for inviting us here.

Mayor Burt: Thank you. Thank you all very much. Thank you very much.

Study Session

3. Stanford University Staff Presentation Regarding Transportation Demand Management for Stanford Research Park.

Mayor Burt: We will now continue to Item Number 3, which is our first of two Study Sessions tonight on Transportation Management Associations or Agencies. Stanford University staff is going to present regarding the Transportation Demand Management for Stanford Research Park. Mr. City Manager.

James Keene, City Manager: Thank you, Mr. Mayor. I want to welcome Tiffany Griego and Jamie Jarvis. Tiffany's the Managing Director of the Stanford Research Park as most of you know. Jamie is the Transportation Demand Manager there. Looking forward to their presentation and Study Session and then later one from our Staff on the Downtown Transportation Management Analysis (TMA). We'll see some interesting interrelationships between these two presentations, I hope. I will turn it over to Tiffany.

Tiffany Griego, Stanford Research Park Managing Director: Good evening. My name is Tiffany Griego. I'm very pleased to be here tonight to share with you about our Research Park-wide Transportation Demand Management (TDM) programs. I have my colleague, Jamie Jarvis, with me who is new to our team as of October of last year. She and I are excited to share with you our current and future plans, if I can manage this. This evening, we believe it's important to share with you our Research Park-wide efforts to reduce not only traffic congestion but also to evolve our Transportation Demand Management programs in the Research Park. First, we would like to give you a bit of background information, since it's been a while since we've talked about the Research Park. We will also share with you what we've

TRANSCRIPT

learned from an extensive due diligence effort around transportation in the Research Park. We'll walk you through the many programs we've launched over the last 6 months as well as walk you through our plans for the future. Finally, we will share with you what we have learned along the way about what it takes for the Research Park programs to be successful and effective. First, what is the Stanford Research Park? We are Palo Alto's home base for cutting-edge, influential, world-leading companies. Our mission is to support innovative companies in their research and development initiatives by providing modern facilities in a truly stunning landscape, by offering sustainable transportation programs, and by fostering a spirit of collaboration and partnership. The origin of the Stanford Research Park is quite frankly steeped in a tradition of collaboration and partnership. Stanford believed that a university-affiliated research and development-focused business park would foster a new kind of collaboration among scientists at the University and in industry. Also in the 1950s, the Park was founded as a seminal partnership between the City of Palo Alto and Stanford. As the Park has grown over the past 65 years to 700 acres, commercial lands have been annexed into the City of Palo Alto. Today, 65 years into our history, Palo Alto has a remarkable asset on its hands here. I will focus, from now on, on our land use specifically. That is to say that the Research Park is extremely spread out. It is quite frankly very different than Downtown Palo Alto. From our north end to our south end, the Research Park is 3 miles in length. What this means is our distance from Downtown University Avenue to the Wells Fargo Bank at the corner of California Avenue and El Camino Real is 1.8 miles, and the distance all the way to Tesla's headquarters is 4.5 miles. Tesla runs shuttles back and forth to the University Avenue station, and this means that their riders have to endure up to a 25-minute drive down to the Downtown station in congestion. In addition, the Research Park submarket is a place unlike any other place in Palo Alto. We have 150 companies. Our smallest company employs one person, and our largest company employs nearly 4,000 people. Our smallest company occupies 100 square feet, and our largest occupies a 105-acre campus. What is helpful in our efforts is that the 12 largest companies account for nearly 75 percent of the employees in the Research Park. This gives us a great leg up as we think about Transportation Demand Management programming. About a year ago, we kicked off an extensive market research effort to assess the competitive landscape, especially as we saw a lot of companies migrate to San Francisco and to more urban environments. We interviewed our largest tenants in the park. We wanted to understand what Stanford Research Park (SRP) companies and their employees need in order to stay in Palo Alto. We learned a great deal from listening very intently. Companies told us that they feel tremendous pressure to innovate or else they stand to lose market share or at worse become obsolete. It is a fast-paced, ever-evolving pressure cooker of a

TRANSCRIPT

global economy is what they told us. In order for them to succeed, they need to be able to win the war for talent. They need to be able to recruit and retain the best employees, the best and the brightest. They also need constant inspiration, which is where we come in with fostering collaboration. They feel it's their responsibility to invent the future. A story about Ford Motor Company, Number 8 on the Fortune 500, is a perfect example. Last year Ford set up shop in the Research Park. From their site there, they are re-imagining the transportation industry. Ford's Chief Executive Officer (CEO) has said, "At Ford, we view ourselves as both a mobility company and an auto company. We anticipate customers' wants and needs especially on connectivity, mobility, and autonomous vehicles. We are working to make these new technologies accessible to everyone, not just luxury customers." Transportation is top of mind not only for Ford, it is top of mind for all Research Park companies, we have learned. It is core to their business now. They told us that traffic congestion is taking a toll on their employees. It impacts everybody's ability to fully utilize employee productivity, and that they are deeply motivated to work together and to work with Stanford to unlock potential and to unlock new solutions. The conclusion we drew was that it's Stanford's role to help move people to and from and around the Research Park, so that the people once they arrive can move their ideas out into the world. It sounds cheesy, but I have to say this is a mantra that Jamie and I have adopted, and we leapt into action from that point forward. First we surveyed what current Research Park employers are doing already to solve traffic congestion and to meet their employees' needs. We learned that they are already responding to the employees' demographic shifts and changing views on living in urban environments and using mass transit. We learned that many Research Park companies are offering generous and effective transit subsidies to their employees. I'd like to call your attention to this man's T-shirt. I love it, because it says, "It's null unto you ship it," which reminds me it's our job to move people, it's his job to move his idea to market. We also learned that many employees are running private shuttles to the University Avenue Caltrain station to improve the connection to the Baby Bullet service. We also learned that several employers are offering their employees organized vanpool services, discounts and subsidies to use vanpool, specifically vRide. We learned that several employers are already running long-distance shuttles to far away locations like Half Moon Bay and Dublin and Fremont as well as San Francisco and other areas locally. Finally, we learned that there is a thriving bicyclist culture in the Research Park. Many companies are offering a variety of onsite bicycle services for their employees. I was so pleased to learn through research that the Research Park employers are already deeply invested in significant Transportation Demand Management efforts that are long term and that are quite frankly costly, and they're doing this on a voluntary basis already. We all know, given the congestion and given our geography that I pointed out

TRANSCRIPT

before, that more needs to be done to modernize and adapt our TDM programs in the Research Park. Now I'd like to describe a little bit, after the market research effort we did, the due diligence around transportation that we did as well. We set out to evaluate what transportation challenges we face. Quite frankly, we learned that most of our challenges are unique to the Stanford Research Park and to our suburban geography. We all have observed that Page Mill Road is very congested during the A.M. and P.M. peak hours. It was interesting to learn from the County of Santa Clara Page Mill Corridor Study that the problem is not entirely attributable to the Stanford Research Park employees, but that makes solving the congestion on Page Mill Road that much more challenging for us. Just to remind you, the County of Santa Clara Page Mill Corridor Study shows that about 35 percent of A.M. peak traffic arriving from Highway 280, traveling on Page Mill, is attributable to the Research Park. That was 35 percent in the A.M., and about 40 percent in the P.M. is attributable to the Research Park traveling on Page Mill Road towards 280. Like I said, it's a major thoroughfare, Page Mill Road. It's a tough nut for us to crack. Our due diligence effort helped us also appreciate just how challenging it is for Research Park employees that the California Avenue Caltrain station is underserved. This is very difficult to read, so I will point out a few things here. The University Avenue Palo Alto station offers trains every 10-15 minutes between 7:00 A.M. and 10:00 A.M. During the same period, the California Avenue station offers trains only every 40-60 minutes. Our research also educated us about the walking distance that would be reasonable to expect of an employee. We learned that it was challenging for Research Park employees that they don't have the advantage of a convenient pedestrian well-served transit hub at California Avenue. Here in this light blue line you can see the distance that someone will walk for 15 minutes after departing the California Avenue train or buses that come to the area. You can see that a portion of the Research Park falls within that light blue area, but not much at all. Finally, Stanford Research Park is much less accessible by public transit than the Downtown Palo Alto station. These maps are a little challenging. I will go into greater detail here. The maps show how far someone can travel in 40 minutes on public transit. On the left, you can see that it's possible to leave Downtown Palo Alto and reach locations as far away as 20 miles using public transit. That can get somebody in 40 minutes as far north as San Bruno and as far south as downtown San Jose. By contrast, the image on the right shows that it's possible to leave the heart of Stanford Research Park at Hanover and Page Mill and reach locations as far as 6 miles away in 40 minutes using public transit. Because the Research Park is not a transit hub that has convenient pedestrian access to work sites, public transit actually serves us less efficiently, but we are not daunted. Now, I'd like to bring you up to speed about what we have accomplished over the last six months with our

TRANSCRIPT

Research Park-wide TDM programs. After we understood how important Transportation Demand Management is to the Research Park employers and after we developed a thorough understanding of our challenges, we decided to convene a group of engaged employers and work together, because we felt there was potential to unlock by working collaboratively. We call ourselves the SRP TDM working group, and we're structured similarly to the Downtown TMA. I would like to ask everybody who is participating, who came tonight to support us to stand, and I will quickly make introductions. We have Ron Malouf from Jazz Pharmaceuticals here. We have Stacey Winter from HP Inc.; Anissa Leong from Hewlett Packard Enterprise; Stan Nakaso from Lockheed Martin. We have Lucy Tice representing Nest, Karen Bouvier representing PARC, Steve Lynch representing the property owner for Machine Zone. We have Kellie Drenner from SAP. We have a representative from Tesla, and we have Linda Marie here from VMware. Thank you. That is a nice turnout for us; 10 of our 12 employers were able to make it tonight. Thank you. Like I said earlier, 12 of the employers in the Research Park represent nearly 75 percent of the population. You can see here the group that we are working with. To give you a little insight into how we work, we call ourselves the TDM Working Group because we decided at the beginning we came to work, to roll up our sleeves and to share information in order to unlock potential as quickly as possible. We firmly believe we can tackle our challenges by working together. What we do is we meet monthly under Jamie's leadership to discuss our TDM strategies and ideas. We share data openly, and we make decisions, and then we leap into action. We also share best practices and lessons learned and, quite frankly, failures. We're all benefitting from each other's learning curve individually. We are a group that embraces emerging technologies and Applications (apps). It's fun for us to explore new vendors and new technologies. We actually have a mindset of experimentation. We are launching pilot programs which you'll hear about. What we'll do is we'll collect data on a periodic basis, and we'll determine if these programs are effective for us or not. We are a demand-driven, data-driven group. For us, flexibility is key. Last October, Stanford took the step to hire a full-time TDM coordinator; she leads our TMA-like organization. Her name is Jamie Jarvis. She comes with degrees in engineering and environmental science as well as 20 years of experience in running Transportation Demand Management programming with Silicon Valley employers including some in this room. She's been hard at work since last October trying to figure out what we should do to modernize and adapt our programs. Now, Jamie will walk you through her portion of the presentation. Thank you.

Jamie Jarvis, Stanford Research Park Transportation Demand Manager: Thank you, Tiffany. I feel very fortunate to have come into a situation where I'm working with employers who already totally understand the value

TRANSCRIPT

of Transportation Demand Management. They're very engaged, very active. I also have the benefit of Stanford had done a lot of legwork gathering information and data, so that I could hit the ground running. One of the first things that I wanted to take a closer look at is employees in the Research Park, where they're coming from, how they're likely to be getting to work. We were able to use employer Zip Code data to generate this heat map that shows where employees are coming from. Some of the key points of this is that we have 50 percent of our population is in the South Bay. For the purpose of this, I included Palo Alto in the South Bay, because it is served by Santa Clara County transit. We have 20 percent in the East Bay, 20 percent on the Peninsula, and 10 percent in San Francisco. This is for the Research Park overall. We do have employers that see slightly different origins than this. In particular, our newer companies who have younger workforces will see less in the South Bay, more in San Francisco. Not necessarily a bad thing, because those folks are also the least likely to own cars and most likely to ride transit. It's just an example of how each company needs to look at their specific workforce and design the programs for them. You can also see that we have 20 percent within 10 miles of our worksite. That is both a challenge and an opportunity. A challenge from the standpoint of it's hard to compete with solo driving on those distances, but it's also an opportunity because there's some good candidates for bicycling in that audience. Once you know where your employees are coming from, you can start to think about the corridors that they're likely to be traveling. That's important because you can get a sense of the congestion that they face on those corridors, and also whether there's a reasonable transit option for them. Next slide shows the transit options that we do have available in the research park. We're served by VTA, Valley Transportation Authority, Caltrain and the Dumbarton Express. VTA provides four express buses from the South Bay and also a local connection between the Cal. Avenue Caltrain station and the Research Park. Caltrain is also an option for our commuters, anybody along that corridor between San Francisco and Gilroy. We also have the Dumbarton Express from the East Bay. The Dumbarton connects with Union City Bay Area Rapid Transit (BART), picks up at locations in Fremont, and then cross the Dumbarton over to the Research Park. Tiffany pointed out that the majority of the Research Park is not within walking distance of Caltrain, so we provide free Marguerite shuttle service to facilitate that connection. We actually operate out of the Downtown Palo Alto station even though it is two miles farther from us than California Avenue. The reason we do that is because of the frequency of the Caltrain service and also the fact that the Baby Bullet trains from San Francisco, which are among the most popular trains, stop in Downtown but don't stop at California Avenue. That's the transportation environment that we're working in. What I'd like to do is focus on some of the programs that we've recently launched. The first one I'm really excited about is the VTA Eco Pass

TRANSCRIPT

program. VTA is an annual pass that provides employees with free fares on all VTA buses, light rail, and the Dumbarton Express bus from the East Bay. The pricing of ECO Pass is such that larger employers get a much better price on it than small employers. We were able to do actually a bulk purchase of 15,000 passes in order to qualify for the lowest price of \$18 a pass. By comparison, most of our employers would have paid \$93 a pass, five times as much. Even our largest employers save between 40 and 65 percent. That's money that they put into other aspects of their program. Specifically, we had one of our members that doubled their Caltrain subsidy with the money that they saved on the Eco Pass purchase. Another program that is particularly fun for me is that we launched a Bicycle Champions Advisory Group. Bicycling is a great option for people who live within 5 miles of the workplace. I knew that we had enthusiastic bicyclists in the Research Park that would love to see more people bicycling. We engaged this group. Our Working Group employers, we asked them to nominate active bicyclists within their companies. We now have 12 Bicycle Champions. A really interesting group, they commute from as far away as Los Gatos and Foster City. We have three of them that combine bicycling with transit, so we get that nice perspective. They're there to help us. They propose new programs. They support our new bicyclists. They also have really valuable input on infrastructure. Another program that we've enhanced is our guaranteed ride home program. This is available for free to all employees in the Research Park. A traditional guaranteed ride home program will cover cases of personal emergencies. If you ride transit to work and you get a call from your child's school saying your child is sick, you need to come and get him, a standard guaranteed ride home would cover that. We certainly cover those cases. However, we also realize that there are some days when transit is just not working well for people. We didn't want that to discourage somebody, that they have a bad experience and they're two hours late getting to work or two hours late getting home and miss something important, and they don't want to ride transit again. We have included transit disruptions in our guaranteed ride home program, so that we will get people where they need to go quickly in those cases. We have also modernized the program. Traditional guaranteed ride programs, the ride is provided by taxi, and we still have that option. We have also added Uber and Lyft just because many people are comfortable with those systems, and the response time can be very quick on those. Another new program we have is on our StanfordResearchPark.com website. We have extensive transportation information including options for how people will get there, the services that we offer, and recent updates on promotions and new events and incentives that we're offering. Now, I'd like to talk a little bit about programs that we have planned. The first of these is an interactive trip planning tool. This is going to be a really nice fit with the website I just showed you. When someone goes to that website and they're reading about

TRANSCRIPT

carpooling or transit, they get a prompt that will take them to this trip planning tool. At this point, they enter their origination, their destination. They will get results that show them potential carpool partners, their best transit options, suggested bike routes, and even their walking route to work. There's also some interesting information in here. It shows their carbon emissions associated with each alternative. It shows the cost of driving, so people are reminded that it's not free to drive. The other really interesting thing about this is if you look, you can see a calendar in the lower left corner. It allows participants to track their commute use. This has some really nice applications for programs we want to do. For instance, we'd like to have a challenge with our employers for Bike to Work Day to see who can get the highest percentage of employees to participate. This is the kind of tool that facilitates that. Similarly, if we want to encourage people not to drive on a Spare the Air day, we can offer a special reward for that, and they can track it using this tool. This is going to be a really nice tool. Launches in April. Another program we're looking at is expanding car share throughout the Research Park. One of the ways we're doing this is that anybody who uses a commute option on a regular basis will get a free registration with Zipcar. We're covering the cost of that. They'll also get discounted use rates. The point here is that this eliminates one more obstacle to leaving your car at home. If you've got midday meetings offsite at work or you need to run some errands, you can easily access one of these cars for that and still keep your normal commute usage in pattern. We're also hosting a variety of bicycling events starting in April through May. These events are coordinated and paid for by Stanford. They're hosted by our Working Group companies, and they're free to anyone in the Research Park. We're kicking it off with a how-to repair day. This was a specific suggestion from our Bicycle Champions. I had all these lined out, and they said you've got to make sure people know how to fix their own flat tire, so we added those in on their response. We also have free safe cycling clinics and free inspection and tune-up days. The idea is to get people to dust off those bikes, get them fixed up, and feel comfortable riding their bikes. All leading up to Bike to Work Day so that we have a great turnout for that and can start to really get that bicycling culture going. We have a variety of events to keep the interest in commute alternatives high. I mentioned the Bike to Work Day. We're going to have four energizer stations in the Research Park where people can pick up refreshments and give-away items and get some general encouragement and socialize with other bicyclists. We're going to be actively participating in the Air District's Spare the Air campaign this summer. Employers were very interested in this, because it's a strong fit with their sustainability programs. We are going to be having a \$1 Scoop carpool promotion through the month of April. I showed you how on our trip planner people can see carpool information. That's more of a traditional carpool of you commute with the same people a couple days a

TRANSCRIPT

week, same time. Scoop is a more on-demand. It's through a mobile app, and it allows people to say, "I'm going to San Francisco in an hour. Anybody need a ride," or "I need to go to San Jose in an hour. Anybody going there?" I need to make a distinction; it is not an Uber/Lyft-type system. It is actual people who are going where you need to go. It's a carpool that it does indeed save trips. For the months of April, a typical ride will cost \$5 on Scoop. We're subsidizing that, so any ride's \$1 to get a lot of people interested in that system. The TMA is also doing a similar promotion, so there's a nice synergy there. It's totally feasible that somebody who's coming in from Berkeley could find somebody on Scoop, drop them off in Downtown Palo Alto, and head out to the Research Park. We're glad to be able to facilitate that at the same time. We're also hosting a corporate bike forum in May. We're going to have representatives from over 50 companies come out to the Research Park and share best practices on how they increase the number of employees bicycling to work. We're hosting a VTA workshop in June. This is open to the public, and it's going to be an opportunity for our commuters to provide input to VTA on service enhancements that they are planning for 2017. Another program we are working on is piloting a long-distance commuter bus for the west side of San Francisco. I emphasize the west side, because we have a transit first policy. We don't want to compete with Caltrain. If that's the system that's working for people, great. We do know the west side of San Francisco is a tough commute. For somebody to wind their way across to the Caltrain station, take the train, take our shuttle versus just hopping on 280 in their car, we know what they're going to do. We want to fill that gap and provide an option there. Most of our employers do not have enough employees on their own along a corridor in San Francisco to run an efficient bus service, so we're partnering with them, bringing a bunch of them together to start a bus. Not only does it make it more cost effective, more employers can participate. We have a really good chance of filling up these buses. We're going to be conducting an employee commute survey in April. The Downtown TMA did a really great job on their survey, so we're modeling ours after those. We look forward to having that level of information to further help us refine our program. We'll learn current mode share. We'll learn what options most people are interested in, what their obstacles are, what we could do for them. The other really nice thing about a commute survey is that it's a great outreach opportunity. To be honest, the survey is going to be the first time that some people have thought, "I could do something else besides drive alone." The survey will incorporate things like our trip planning tool and give them an opportunity to request specific information. As you can see, we have a lot in place and a lot more planned. Our general focus for our transportation efforts in the Research Park is we want to support our large employers, so they can be as effective as possible. We want to engage our small employers with plug-and-play programs that

TRANSCRIPT

are just really easy for them to implement. We want to provide benefits to scale, and the Eco Pass is a great example of how we were able to do that. We want to facilitate partnerships, such as we're doing with the commuter bus pilot and also leverage local and regional systems, especially public transit. There are a few things that would help us be even more effective at what we're trying to do. One of these would be to increase frequency of Caltrain service at the California Avenue station. This station is 2 miles closer to us than the Downtown station. Additional service there would provide our employees with more options, and it would also allow us to operate a very efficient shuttle system and get people to work faster. We would also like to work to enhance the Dumbarton Express service. There's a lot of unrealized potential on this service. Right now it is hamstrung by the lack of parking along the route. The Ardenwood Park and Ride lot in Fremont fills up by 6:30 A.M. in the morning. What happens is on the Dumbarton buses, the first three are standing room only, and then the ones that come in later, there's a lot of unused capacity. That's a lost opportunity. It's important to note the Dumbarton 1 comes directly to the Research Park. The main Dumbarton line comes to Downtown. Wendy Silvani and I have already talked about ways for the TMA and the Research Park to work together to improve this service to benefit both of our populations. We look forward to seeing bike share expanded so that it can become a useful network for our employees, and particularly bringing some bike share stations into the Research Park. We think this is going to provide another valuable connection to Caltrain. It will be very flexible for people. They won't be tied to a shuttle schedule. They can use these bikes to come and go as they need. Also a fun way for them to get around on midday trips. We'd also like the opportunity to work on improving bicycle and pedestrian access. My Bicycle Champions are a very hearty group. Even they say there's work that needs to be done. If we want to be able to reach the people who are more casual bicyclists, draw new people in, we've got to make it safe and easy for them to bicycle to work. In addition to that, we've identified some other keys to successful TDM in the Research Park. First is to maintain flexibility. There is a tremendous amount going on in the transportation world right now. There's changing demographics. There's new technologies. There's apps. There's on-demand transportation. There's autonomous cars. So much going on that it's hard to envision the transportation environment that we may have in 10 years. The Research Park employers are uniquely positioned to capitalize on this. We just need to have the flexibility to continue to do that. The other thing is customized solutions. TDM is not one-size-fits-all. We very much need to be able to customize programs for our specific employees and to capitalize on the environment that we do have. We also need the opportunity to experiment with new programs. I mentioned the \$1 Scoop promotion. One of the things that's interesting is that gives people a lot of incentive to ride. We

TRANSCRIPT

may do that and we may find out we need to do an incentive to make sure people are out there to drive these people. That may be something that we'll evaluate and say, "Let's swap these incentives a little bit." We also want to continue to foster collaboration among the employers. The nice thing about this is the more we work together, the more successes we have. Guess what? The more people want to work together. It's a really nice feedback loop. Lastly, time. It takes time to develop these programs, to launch them, to market them so that they catch on with employees, to evaluate them and finally to optimize them for maximum effectiveness. With that, I would like to thank you for having us here today and letting us share our programs. We've talked about the transportation environment and challenges, current and future programs, and keys to success. Now, I'd like to turn it back over to Tiffany. She's going to introduce a few of our working group members.

Ms. Griego: A few have asked if they can share their unique perspectives with you tonight as well, just so you recognize that this is not just a Stanford effort. I'd like to first introduce Linda Marie Santiago, the Director of Real Estate and Workplace from VMware. VMware is the Research Park's largest tenant. After Linda Marie, Stan Nakaso, the Facility Project Manager for Lockheed Martin will come speak. Lockheed Martin has been in the Research Park since 1956. Finally, Kellie Drenner, External Relations Manager from SAP, will speak. Then we'll be happy to take any questions you have. Thank you.

Linda Marie Santiago, VMware Real Estate Director: Good evening, Council Members and City Staff. My name is Linda Marie Santiago, and I am a director for VMware with responsibility for the real estate operations of our 105-acre Stanford Research Park campus. It's a pleasure to be speaking here tonight to you about a subject about which VMware is quite passionate, transportation. As most of you well know, VMware is the second largest employer in the Stanford Research Park. We care about our people, our campus and this community. We already are doing quite a bit around transportation demand programs, responding to our employees' needs and spending funds on TDM programs. This has been and will continue to be a priority for us. Our programs include a last-mile shuttle program from two of the local train stations to campus; a rider app that informs our shuttle riders of real-time vehicle location and delay notifications; mostly subsidized public transit passes; Eco Passes; bicycle-friendly amenities and programs including bike lockers, indoor bike rooms, shower rooms and annual participation and promotion of Bike to Work Week and Day; vanpools; and EV charging stations. We are working on future services too including Dero ZAP which is the technology that produces an automated count of daily bike trips to campus and a point-to-point commuter shuttle from San Francisco,

TRANSCRIPT

about which Jamie spoke earlier. We are motivated to offer our employees these programs because our people come from all over the Bay Area and commuting is become more complex. Our goal is to provide employees with transportation alternatives so they have a safe, healthy and productive choice of options from wherever they begin their day. VMware recognizes the environmental as well as the public and personal health benefits of providing alternative commute options. VMware values the well-being of its employees as a vibrant and critical part of our community. Recognizing their ability to focus on their jobs and personal lives is key to our business and core values. We strive to cultivate the sense of centered focus from the moment they leave their front door. We are self-motivated to offer sustained, effective programs and have been successful in doing so and continue to look at opportunities to add more transportation options for our people. While VMware offers individual TDM programs, there are several programs that benefit from scale. We see the value in coordinating an approach with Stanford Research Park's TDM Working Group and Advisory Council and have been an active participant in both groups because we understand the importance and value of collaborating on these types of efforts. We appreciate the value of the recently implemented Eco Pass program as a convenience to our employees and its administrative ease for our company. In addition, we are very interested in pooling employees and sharing a private, long-distance shuttle with other SRP employers. It's a great example of critical mass and need for partnership. As you may know, last year VMware exclusively funded a shared, point-to-point shuttle program consisting of three routes; two from San Francisco and one from the Tri Valley. We opened that up to any interested SRP commuters in the hopes of galvanizing interest from the community at large. Unfortunately, we weren't able to gain enough traction because our provider unexpectedly suspended service. Currently though, we are working on revitalizing this program in conjunction with the SRP, and we are confident that our ability as a community to pool our resources and address the SRP commuter population at large as a single entity will pay dividends in the near future by alleviating the area's growing congestion. We are encouraged by our SRP neighbor employers, many of whom are here tonight, their desire to address our collective needs and for Stanford Research Park dedicating a full-time person to coordinate these efforts. There are several keys to our success with TDM including flexibility. We need to retain flexibility to determine the best programs to meet our specific employees' needs as they evolve. Customization. TDM works best when we offer a customized set of programs specific to our employees' needs. Experimentation. We will launch new programs and be early to adopt new technologies in the evolving mobility industry. Ability to pivot. We need to evaluate the effectiveness of our programs and pivot as needed. We may cancel failing programs in order to launch new ones. Opportunity for collaboration. We can do so much

TRANSCRIPT

more by working together and in partnership with the City rather than against each other. Critical mass. We are focused on building critical mass in order for our programs to be most effective. Time. We are motivated and focused, and we are launching experimental programs. We ask that the City give us the benefit of time before regulating and prescribing our efforts. Thank you for your time.

Stan Nakaso, Lockheed Martin Space Systems: Good evening, Mayor, Vice Mayor and Council Members. My name is Stan Nakaso; I'm with Lockheed Martin Space Systems. Lockheed Martin has been a member of the Stanford Research Park since 1956. We have had a robust transportation program in place since the 1970s to help our employees reduce stress and the cost of commuting to work. We currently offer the following Transportation Demand Manager programs: Eco Pass; Dumbarton Express, 15-year participating; bike commuter incentive checks; pretax incentives; the emergency ride home; and bicycle lockers. We are motivated to offer our employees these programs because traffic congestion is a quality of life issue. We see the value in coordinating an approach with the Stanford Research Park's TDM group led by Jamie and are excited to be a valued partner here. We believe our effectiveness is through a comprehensive set of programs that offers scale and cost efficiency based upon demand data and employee needs. We believe a facilitative partnership among the SRP employers in coordination with the City and transit agency will offer the most comprehensive and integrated set of programs available. We also see the positive value of speaking with a common voice to advocate for changes in our regional transportation systems. Lockheed Martin is supportive and excited about the group Eco Pass program that rolled out this year. We believe greater participation in the program will benefit all employees working in the Park. Lockheed Martin agrees with our fellow Stanford Research Park employees that flexibility, experimentation, evaluation, collaboration and time are critical to the success of our efforts within the Stanford Research Park's TDM programs. Lockheed is supportive of SRP's TDM group and look forward in being part of a solution that benefits everybody. Thank you.

Kellie Drenner, SAP: Hello. My name is Kellie Drenner, and I'm with SAP. I first want to thank the City of Palo Alto for allowing us to speak today on a very important subject. I thank Stanford University and the Stanford Research Park for their ongoing support and leadership of TDM. Thank you. TDM is a priority for SAP. We currently offer the following TDM programs to all of our employees: free VTA Eco Pass express that includes Dumbarton Express route; East to North Bay commuter shuttles to Palo Alto; free emergency ride home program; reserved assigned carpool parking spaces with permit program; subsidies for our employees who use transit or

TRANSCRIPT

vanpool; pretax payroll deduction options for transit and vanpool; bicycle lockers; secure bike room, racks, fix-it stations, and showers; monthly onsite Beeline bicycle maintenance services; \$20 monthly bicycle voucher that's valid at most bike shops; SAP commuter website with employee commute coordinators; new employee commuter presentations; and transit kiosks throughout our campus. We are self-motivated to offer our employees these programs because sustainability is a core value of SAP, our employees and the work that we do. Through SAP's TDM, our employees reduce greenhouse gas emissions emitted during their commute by about 30 percent or 3.5 million pounds. This translates into a reduction of 590 pounds per person. Our TDM efforts play a direct role in our sustainability goals and a key reason why we are taking TDM so seriously. SAP sees the value in coordinating an approach with Stanford Research Park's TDM Working Group, because it allows us the opportunity to have a synergistic engagement with other employers to share knowledge, resources and information. A coalition of the willing, so to speak. Additionally, partnering with the SRP TDM working group has allowed many of the programs and offerings to scale. For example, through our engagement with the SRP TDM Working Group, we can now offer significant discounts for the VTA Eco Pass program. We have also been able to discuss collective planning approaches and actions for shuttles, transit services and ride-matching systems to name a few. It goes without saying we see value in speaking with a common voice to advocate for changes in regional transportation systems. What's key to our success with TDM and working with the Working Group is flexibility. We need to remain flexible to determine the best programs to meet our employees' specific needs as they evolve in our changing workforce. Our TDM efforts are moving the needle in a positive direction, and this is because we at SAP are able to determine what programs best fit our collective culture and the needs of our employee base. Thank you.

Mayor Burt: Thank you. Does that conclude your presentation?

Ms. Griego: Yes.

Mayor Burt: Thank you very much. At this time, I'd like to return to the Council for any questions that Colleagues may have. Council Member DuBois.

Council Member DuBois: Thank you both for that presentation, and the members of the business community. It's really interesting. I'm curious where you got the data for the heat maps you showed.

Ms. Jarvis: That was employee ZIP Code data that our employers provided to us. We were able to map that out to give you the density map.

TRANSCRIPT

Council Member DuBois: You didn't really talk at all about how the TMA is funded. Could you explain that a little bit?

Ms. Jarvis: We are a combination. Employers are funding a lot of the programs that you heard about. They're funding their own efforts. The Research Park is covering a lot of the joint programs. We're funding the Marguerite shuttle. We fund the bike programs that we talked about. We're funding the trip planning website. Basically the things that provide the umbrella for the employer efforts, Stanford is funding those.

Council Member DuBois: Are you viewing that as seed funding that as it picks up will eventually become funded or do you plan to fund that indefinitely?

Ms. Griego: We don't view it as seed funding. We are committed to a sustained effort with Stanford playing a significant role in that. Perpetually this will be a private entity. Does that get at your question? Privately funded by the employers and by Stanford always.

Council Member DuBois: Scoop looks really interesting. I'm just curious. Have you seen any issues? Is it working well?

Ms. Jarvis: We are launching that. It goes live in Palo Alto on April 4th. We chose that vendor—there's a lot of different ride-matching apps out there. This one has proven experience. They've worked with Hacienda Business Park out in Pleasanton, and they've also been working with Sysco Systems. I liked the fact that they had that experience under their belts, and that's why we're partnering with them.

Council Member DuBois: I was looking at the Marguerite routes. The Research Park route, I think, goes down El Camino. Do you have some routes that go through campus back to Foothill? There's a VA route, and then there's the 1050. Have you guys given thought to routing some Research Park buses through campus to Foothill? Just something to watch over time as maybe El Camino Real becomes more congested.

Ms. Jarvis: Our parking and transportation group revises the shuttle schedules a couple of times a year. We're always looking for new opportunities to optimize that. That's certainly something we'll consider.

Council Member DuBois: Just like us, I think you showed 50 percent of the employees coming from the south. I didn't really hear any plans there. I think you guys have a big opportunity to pilot maybe a shared bus from the south or the western cities. It could really serve as an example for the City's TMA program and for other employers outside the Research Park. It seems

TRANSCRIPT

like a lot of people talk about optimizing San Francisco; I really like you doing the west side of San Francisco. I think that's awesome. The East Bay. I don't hear about programs from the south where we see most of the traffic, most of the single occupancy trips.

Ms. Jarvis: We look at the South Bay strategy. The Eco Pass was a first step in that. We do have the four express buses, so we want to get focus on those. The carpooling is also a really good option for the South Bay commuters. A lot of them do have access to a carpool lane at least part of their way. We're certainly open to other strategies. One of the challenges with South Bay is if you remember that heat map that I showed you, we have a lot of people in San Jose, but it's blue because they're spread out. When you look up to the city, you see a little higher density. That's one of the challenges we need to look for. The buses, carpools are an option. We'll certainly look at filling other gaps that make sense.

Council Member DuBois: I really appreciate that. I'd put my vote in for trying a bus though, just to see if you can pull it off. Thanks.

Ms. Jarvis: Thank you.

Mayor Burt: Council Member Kniss.

Council Member Kniss: Thank you all for coming, and congratulations on how far you've come to this point. Several questions. Is it Ms. Santiago? Talked about the time and said essentially please give us time to make this work, let us see how it works. Is it too early to ask you if there are any results at this point? Do you have any results on any one of the programs?

Ms. Jarvis: The majority of our programs have launched between January and now, so it is a little early to provide results on those. The survey that we do in April is going to give us a lot of good data. At that point, I think we'll be more prepared for that.

Council Member Kniss: Do you do anything with, as they sometimes do in other companies in other countries, with days off? Four days on, one off or three or something. Is that part of your program?

Ms. Jarvis: We do have individual employers who have compressed work weeks, four 10s, nine 80s. We also have very active telecommuting among the companies. That's coordinated on a company-by-company basis right now.

Council Member Kniss: The same with starting times and ending times? I too see all that traffic that comes in on Highway 280 in the morning. I've

TRANSCRIPT

often wondered could you come in a little earlier or a little later because it really only lasts for about an hour to an hour and a half, is my observation. I don't know what yours is.

Ms. Jarvis: That's at the company level right now. We do have some companies that have a specified work hour of 10:00 to 7:00 for that very reason, so they're not contributing to traffic and so their employees aren't sitting in that traffic. That's certainly something to consider.

Council Member Kniss: I would think that would make a big difference. As far as the South Bay, I've often noticed that one of the biggest bottlenecks is at Highway 85, when Highway 85 comes onto Highway 101. I just sympathize with the size of San Jose which is an enormous city, but it is incredibly spread out just as you have said. If somebody manages to figure that out, I think that will make a big difference. San Francisco is so concentrated, it does make it somewhat easier. Thanks for what you're doing. I hope you will give us results since, as you know, we're hoping to learn from you and vice versa as we go forward with this. This is new for us, new for you. We think it has huge promise, so please let us know how you're doing. Come back and visit.

Ms. Jarvis: Certainly. Thank you.

Mayor Burt: Council Member Berman.

Council Member Berman: Thank you very much. To reiterate my Colleagues, thank you to everybody in the SRP community for the work that you guys have done and for joining us tonight and for kind of giving us a bit of a roadmap for the next Study Session we're going to have, which is we're trying to create our own TMA for Downtown. Following up on Council Member Kniss' comments, I hope you guys will continue to share with us kind of best practices that you guys learn of what works and what doesn't. Along those lines, Council Member Kniss asked about results. I wanted to ask about goals. Have you guys set—forgive me if you covered this; I just flipped through the slides and didn't see it—goals that you're hoping to achieve with patience and time to reduce single occupancy vehicle trips to the Research Park?

Ms. Jarvis: That's going to be one of the first things we do after we see our survey results. We feel like it's important to know where we are before we decide ...

Council Member Berman: I suppose that's a logical way to do things.

Ms. Jarvis: ... what we can achieve.

TRANSCRIPT

Council Member Berman: You'd mentioned Cal. Ave. Caltrain, which we've talked a bunch about also. Have you guys talked to Caltrain about increasing stops at that station? Have they been receptive? Are there things that we can do to help as well as push them as we have?

Ms. Jarvis: We are starting that effort, and we would certainly like to discuss how to work together on that. A lot of Caltrain's plans right now are based around electrification, and that does not necessarily result in increased service to Cal. Avenue. That's a discussion that we certainly welcome having.

Council Member Berman: The heat map that you guys have with the ZIP Codes from your employees, does that include independent contractors and kind of service employees, whether it's folks in the cafeterias or janitorial services or security services?

Ms. Jarvis: It does not. It's regular employees at the companies.

Council Member Berman: How do most of those folks get to work? Do they drive or are there vanpools?

Ms. Jarvis: It would depend on the type of contractor whether we would see any difference. We anticipate it's going to be in line with how the rest of the employees get to work. Anybody in the Research Park is eligible for the programs we offer, whether they're a contractor or a full-time employee or not. That's part of the services that we'll offer them. Again, they'll be encouraged to participate in the survey, so we'll have some more information on that group too.

Council Member Berman: They'll get word that the survey's out there and available and that kind of thing?

Ms. Jarvis: Correct.

Council Member Berman: Just following up a little bit on Council Member DuBois' point and something that I've been thinking about a lot. We control in Palo Alto the kind of last-mile problem with so many folks coming to work here. There's also still that first-mile problem. You pointed out the difficulties of San Jose, but I'd just encourage you guys to keep on looking for opportunities to work with other communities where your employees live to encourage them to help with that first-mile problem in the morning of getting folks from their home to public transportation. If they don't have that, then it doesn't matter what we do on our end. Thank you, guys. It looks like you're doing a lot of great work on this. We're looking forward to copying a lot of it. Thanks.

TRANSCRIPT

Ms. Jarvis: Thank you.

Mayor Burt: Council Member Schmid.

Council Member Schmid: Thanks for coming and sharing data and ideas and plans for the future. Just three questions. The question was already raised about quantitative measures. Are you planning on—you will be doing that in the future? Will you have regular reports? Are you getting new technologies to count cars, single occupancy vehicles? Will you share that publicly?

Ms. Jarvis: For now we're going to focus on the survey as our main way to collect data, not only because that gives us the data on mode share, but it gives us a lot of useful attitudinal data. Surveys are relatively easy and cost effective to distribute. That means we have more resources to put into our programs. We plan to use that survey data to set the goals and objectives. Based on those, we will probably continue to do a survey every year. If we need to supplement that with another measurement device, we'd certainly consider that.

Council Member Schmid: I guess my second question is are your goals nice to achieve or will they be required?

Ms. Jarvis: To date all our efforts are voluntary. You heard the coalition of the willing. Our coalition of the willing covers 75 percent of our Research Park. We're very optimistic that voluntary goals are going to be successful. This group's really motivated, not necessarily because of a specific goal or requirement but because of business needs and because of the fit with their culture.

Council Member Schmid: I guess the City and the Research Park are sort of at arms' length. Over the last 6 or 8 months, we have had studies on specific projects, and our 5-8-year outlook for traffic shows "F" level of services on nine intersections. They run along Page Mill Road. They run along Oregon Expressway. They run along El Camino Real and Charleston-Arastradero. Obviously, that future for us is tied to the Research Park. The City is engaged with what you do and how successful you are. The question is how can we establish a relationship so we could participate in the goal setting, we could participate in the monitoring results, we can see standards of achievement that we both need and are we accomplishing them and do we need to have tough requirements.

Ms. Griego: I don't think we've answered your direct question yet which is are we willing to share the information following our April survey. Indeed, we are. We are very keenly interested as a group in figuring out what we have on our hands in terms of mode share. From there, we do want to set

TRANSCRIPT

ambitious goals. We want to set goals that we think we can meet over the short, medium and long term. I think we can engage in this conversation as we have more at our fingertips in terms of post-processed information. I think it's also important that we keep sharing information related to data around the cut-through that's happening on Page Mill Road. Page Mill Road is congested, but it's from a variety of sources. It's a complex problem, for sure.

Council Member Schmid: I would just note that the one issue we had at the 1050 Page Mill site, the data that we were given about forecasts was based on the ITE Ninth Manual and the VTA regional model, not based on real data from the site. That is an important issue.

Mayor Burt: Council Member Holman.

Council Member Holman: Let me add my voice to the other Council Members who have thanked you for coming tonight and sharing the information. It's very helpful, enlightening and promising. What's the structure—I know you're talking about TDM programs. You also mentioned TMA. What's your structure? Like, you went out and asked what companies wanted to participate; you enlisted them. Who gets to say what programs? What's your structure?

Ms. Griego: Stanford is the underlying landowner, as you are well aware, across all of the 700 acres. That is the basis for the structure. We are in contractual relationships with all of these members. I think your second question was how are decisions made. Right now and we continue to envision being a demand-driven set of Research Park-wide programs. The companies will always want to retain the right to run their own individual programs for their own individual employees. Where we can find the right opportunity for scale and for a Research Park-wide solution, that's the natural fit for our organization. It's really, I think, a two-pronged approach that we have here with a partnership with these companies.

Council Member Holman: Thank you. Let's just hope that these measures are all exceedingly successful. How do you see these programs continuing? Let's just say they're really successful. Other entities are also performing their own TMAs, TDMs, and the roadways get a lot clearer. What's to ensure that people won't revert back to their old habits? What are you thinking in terms of future success and how that will be also aimed at single occupancy vehicle trip reduction? Do you know what I'm saying?

Ms. Jarvis: I'll take that one. I've got a lot of experience with commuters over the years. It's tough to get them out of their cars, but once you do they're very happy. I don't see a lot of people backslide. When you talk to

TRANSCRIPT

people who bicycle to work and you talk about all the reasons they bike and you're thinking air quality and exercise and all that, the number one reason people bike to work is because it's fun. Once you get somebody on a bike, they stick with it. Similarly, when you get somebody into a carpool and they realize the cost savings of that and having some camaraderie on their commute, there's benefits there. When you get somebody onto transit and they realize that they can be productive during that time or they can relax. These things have such benefits that once you get people in there, the vast majority of them will stick with those options.

Council Member Holman: Are you going to make riding the shuttle fun?

Ms. Jarvis: We're going to make it as fun as it can be.

Council Member Holman: Just to reach a little bit broader here. I know this is focused on the Stanford Research Park. Are you looking also at any efficiencies that may be at hand in cooperating and coordinating with medical center, Stanford main campus or maybe even any employers in Mountain View or does that kind of cause your program to fall apart because it becomes less measureable? There's a balance here between being efficient and practical versus measureable maybe.

Ms. Griego: There's certainly a primary objective to meet the needs of our specific employees in the Research Park as articulated to us by them but also by their employers. Really we need to make sure we stay focused on delivering effective solutions for this population and for these specific employers. I think dilution could be the enemy of the good here and the enemy of progress, so we want to make sure we do our very best and deploy our funds in a way that achieves actual efficacy here. That's what this group is motivated to do. Who knows what kind of fantastic brainstorming or other potential options could form partnerships elsewhere. We do have a mindset of partnership, but right now we're focused on our group and our specific employees and understanding them and then offering what we think might be most effective for them.

Council Member Holman: That makes perfect sense, but it was begging the question as well. I think my last question is how are you going to engage the smaller employers. At what stage will you be engaging those smaller employers?

Ms. Jarvis: It was interesting. As we said the top 12 employers account for 75 percent of our employment. That means there's about 130 other employers that we need to work with. The Eco Pass was a really good inroad for them, because most of our smaller companies could not afford that program at the price. We were able to offer them that at basically the

TRANSCRIPT

biggest company price. Honestly, that was the first time that I started to get the contacts with the smaller employers, so that was very valuable. Another way is when we're rolling out this website and the Scoop carpools and all those, those are all things that they do not have the expertise or the resources to do on their own. If I send them an email, now that I have their contacts from this Eco Pass project, saying here's what's available, here's what we're offering to your employees at no cost or effort on your own, they're very willing to engage with us on that. I'm really optimistic about reaching those employers.

Council Member Holman: Thank you.

Ms. Griego: Our marketing effort is really focused right now, especially in April, on creating touch points with all of these individual employees and basically filling our database with customers. I think that's where we can start to promote things, provide incentives direct to the end user and maybe start to move the needle by having an inroad with direct employees that we have not had yet.

Council Member Holman: Thank you. I won't repeat some of the questions other Colleagues have asked. I concur with the questions that have been asked already. Thank you.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: First of all, I'd also like to thank you for your efforts in this. I think it's impressive that you got the 12 largest employers to come together, and everyone's working really hard. I don't think we should minimize that. I think it's great that you're doing that. I'm very impressed with all the programs that you're coming up with. In listening to everyone's questions, I had a lot of similar thoughts on this. I think that you should have—I think this is more directed towards Stanford—a sustained lobbying effort on Caltrain. I think as they go through the next 5 years, there will be opportunities to get more service at the Cal. Avenue station. I don't think they even realize that the reason University does so much better than Cal. Ave. is because you bus people there as opposed to people just don't go there. They look at the ridership on a station when they're thinking of their new plans. I think a sustained lobbying effort is where we educate them, and they understand how important Cal. Ave. could be. Over a long period of time, it would have huge benefits. I also think you should engage on the 2040 Expressway Plan. That's adding the extra lane on Page Mill Road. Think about how best this could work. One of the thoughts I had on this was as you go through this process, it would be great if you did traffic studies that said this is the existing traffic. If we got 30 percent or 40

TRANSCRIPT

percent of our people, what would the traffic look like? If we had a dedicated lane, for instance, which would be an Highway Occupancy Vehicle (HOV) lane, would that really work in terms of we could run our shuttle buses down there really quickly? Would that cut the commute time? I think actually doing the metrics on that and having the data and then engaging with the County on this issue could go a long way to getting something that would really work for the Park and for Palo Alto. I would encourage that. The other thing I wanted to just basically—this may be a little off the wall. I remember at some point Stanford came to us and was talking, or somebody from Stanford was talking, about how their TDM processes work with the no new trips on the campus itself. One of the things they talked about was games and points and you sign up for stuff and there's little apps and you track and how successful all of those competition things were. I didn't hear any of you guys doing any of that. I heard from Stanford previously how successful all that was. Maybe you could comment on that.

Ms. Jarvis: That actually ties into the trip planner that I showed you, and it has the calendar where people can track. That gives us the opportunity to do those kind of things, to do prizes and incentives and to recognize people for hitting certain milestones. That tool launches in April. We're getting up to speed on all the capabilities of that. I think that's going to fit in really well with what you're talking about there.

Vice Mayor Scharff: I was just a little curious. Where is that little yellow hotspot on the heat map? Is that Union City/Newark? It seems pretty concentrated right on the other side of the Dumbarton Bridge.

Ms. Jarvis: From the map, it looks like it is just north of the Dumbarton which would be Fremont.

Vice Mayor Scharff: Isn't Fremont south of the Dumbarton? It's Union City/Newark.

Ms. Jarvis: I'm sorry. Okay.

Vice Mayor Scharff: It seemed like that was an opportunity. It was interesting that there is a little concentration there. You talked about biking, and there's the huge red swath that goes down. That's all within that 10-mile radius. What percentage of people do you think are biking or do you have that data?

Ms. Jarvis: We don't know at this point. Again, we'll get some more contacts with our bicyclists through our promotions that we're doing in April and May and also collect that information on the survey data. We look forward to having that.

TRANSCRIPT

Vice Mayor Scharff: I was just wondering about electric bikes. They clearly extend that range, and you don't get your suit dirty. Most people don't wear that, but you don't get your clothes as dirty oftentimes with an electric bike. I was just curious if you had programs that maybe you could give electric bikes to employees who commit to doing it a certain number of—that kind of stuff or if that's further down the path.

Ms. Griego: It's come up, for sure. It's the kind of bike I would need. That's what she tells me.

Vice Mayor Scharff: Thank you very much.

Ms. Jarvis: Thank you.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: Thank you very much for the presentation. This is something that we've talked about a lot. There's been a lot of questions about this in the community, on the Council for a while. It's really useful to have this presentation, have an understanding of what's been happening at the Research Park. I really commend the collaboration among the employers in the Stanford Research Park working with Stanford, and also that you've been working with our Downtown TMA. I'm looking forward to that presentation right after this. I think it's really important to note and commend you and thank you for drawing from our own Downtown TMA as an example, using their surveys as a model and then building upon that. I think that's encouraging to us to see that our Downtown TMA even as it's still getting its legs has already had positive impact even outside of Downtown. That's really worth noting. A couple of things I'd really like to emphasize beyond that. The collaboration, not just within the Research Park but with the TMA in Downtown, for instance around Scoop. That's a great example of leveraging not just the 12 largest employers in the Stanford Research Park but really working across the whole of Palo Alto. I appreciate that. I very much concur with a lot of the comments that have already been made, one that Vice Mayor Scharff said about if you guys can do the studies and run the numbers around the Page Mill Road widening. We here on Council have been skeptical at best about the proposals to widen Page Mill Road. Having that data and having Stanford weigh in on that even more with that data, I think, would be every useful indeed. If we have X amount of money to spend to widen Page Mill Road or to provide TDM to Stanford Research Park, what's the right balance of where to put the money? My own thinking is that it's not in the widening of Page Mill Road, but it would be good to have some data to back that up or to refute that. Have you reached out to or looked at what VTA's doing with their FLEX service in the Tasman

TRANSCRIPT

area? They've just launched, for those who don't know, on January 11th of this year they launched FLEX service where it's basically an on-demand bus that serves the area within about 3 miles of the Tasman light rail station in north San Jose. That's a pilot. I think they're looking for potential other locations. I'm wondering if the area around the Stanford Research Park or around the Cal. Ave. train station—in other words, the Stanford Research Park on its own might be a second location for VTA to expand either as a partner, somebody to steal ideas from and do it yourselves, or if it's a complete flop, to at least pay attention and learn from. I was just curious if you've paid much attention to the FLEX service in San Jose from VTA.

Ms. Jarvis: Yes. I do get the information on it, and I've seen some of the preliminary results. So far, they're pleased with the results. Definitely something to watch. We have a really good relationship with VTA. I've worked with them for many years and again being an Eco Pass partner. We certainly look forward to working with them on those programs.

Council Member Wolbach: I'd also say definitely work with us please. Stay in close contact with us both on Council and the Staff about the lobbying of Caltrain that was mentioned earlier. It is, I agree, important to increase the service to the California Avenue Caltrain station. Making sure that we speak with a united voice about that, I think, will be very, very useful.

Ms. Jarvis: Thank you.

Council Member Wolbach: Whether it ends up being a chance for collaboration or just sharing best practices, I hope that our City Staff will continue to work closely with Stanford as we also develop our own City shuttle program, whether there's any nexus there or at least just notes we can exchange on best practices.

Mayor Burt: Council Member Filseth.

Council Member Filseth: Thanks. Again, thank you, folks, very much for doing this and for coming and spending this time with us tonight. This is great. A couple of questions. One, are you folks far enough along to have put any sort of financial framework around this to the extent of saying, "We want to get people out of their cars. If we get one person out of their car, but it costs us \$5,000 a year, then that's more than we thought. If it costs us \$250 a year, then it's a huge win." Have you guys done any thinking like that?

Ms. Jarvis: We haven't gotten to that level yet. We are implementing a variety of programs that we can get off the ground quickly. We'll evaluate

TRANSCRIPT

each of those, and obviously cost effectiveness will be part of that equation, but only part of it.

Council Member Filseth: One of the things that Stanford did was they sort of had a stick to go with it; they limited parking. They said basically, "You can't park here anymore." Are you folks looking at anything like that or is that part of the mix at some point? Do you have any experience with that?

Ms. Griego: Paid parking? No. The Research Park does not have paid parking. The ratio that all the companies are required to park to for the projects is 1 per 300 which one could argue is overly generous. We think that parking reductions are a significant motivator, frankly, for companies to shift their focus to TDM programming. We don't have paid parking.

Council Member Filseth: Parking reductions, that's going to be sort of at the discretion of each member company as opposed to a Research-wide policy or something like that?

Ms. Griego: Right now, what governs the parking ratio is zoning.

Council Member Filseth: Finally, I think actually what I want to do is ask this question in a year when you folks come back and we've had another year experience of this. Our demographics of where folks come from in the City core looks a lot like yours. We've got a big, big chunk from the South Bay, then a small number that take the train from San Francisco and the East Bay and so forth. I think we're going to be really curious as to what works best coming from the South Bay. That's sort of where the biggest nut is. Thanks.

Mayor Burt: Thank you for the presentation. I think that at a high level the Research Park has both greater challenges and some advantages. The challenges are that it's a very large development. It was the first research park in Silicon Valley. It was designed in the '50s, built in the '50s through the '70s largely. It was built around the car being king. We're now trying to transform it. You also have an employee base that is largely from areas that were the South Bay which were developed for low-density residential by design in an era where the car was king. Those are the challenges. As you've pointed out, you have advantages of 75 percent of your employees are in 12 companies. You have one master landlord. Those are the advantages that you're clearly playing off of. This is going to be very interesting. Some of Colleagues have mentioned this issue about the 25 percent. Hopefully you will be adequately successful there. One way or another, we have to figure out how to fully engage them. As far as the Cal. Ave. train service, I hope that your surveys will look at how much you may be able to drive additional ridership at the Cal. Avenue station if it was

TRANSCRIPT

there, between your willingness to have additional Marguerite service there and looking at how many would shift from University Avenue to Cal. Ave., and then what potential Go Pass expansion you would do if there was greater service. When do you think that you will be able to come back with your results of your survey and what might be your quantitative goals, which I'm guessing may be a baseline goal and a stretch goal? What do you think is the timeframe in which we might be able to hear that?

Ms. Jarvis: I guess I would be comfortable saying end of summer. We want to be able to focus on a lot of the programs that we're launching starting this spring, have the survey, evaluate those programs and modify them, and then be able to come back with good data for you.

Mayor Burt: Thank you. Are you looking at the different patterns from the lower Research Park and opportunities in the lower Research Park versus the upper and proximity to both Caltrain and otherwise?

Ms. Jarvis: Yes. Because the Research Park is so large, there's a different transit ecosystem down on El Camino Real than there is up on Deer Creek Road certainly, different types of employers and employees. That's all part of the challenge but also opportunity for each of those companies.

Mayor Burt: As you see success over time and if we see that our historic parking ratios become obsolete and you have a lot of surplus parking, that would be a great thing to achieve. I can certainly see where if it was established that there was surplus parking, the City might be open to how we can convert those spaces to recreational spaces for employees and things like that. That may be a ways off, but hopefully not so far off. Finally, it was touched upon the issue of contract service employees. Certainly your clients are most of all motivated to provide more convenient transportation for their high-value tech worker employees. That's kind of self-evident. Our trips in our City are the same whether they are a tech worker or a low-wage, contract, service employee. We have an interest that is equal in both. I'd like to, when you come back, hear more about your programs for those service employees that are probably—I'd really like to see a heat map on them because, I think, this is really the direct employees. Is that right? The tech workers.

Ms. Jarvis: Correct.

Mayor Burt: What we've seen in the past and Stanford's seen at the hospital and on campus is we have high concentrations in East Palo Alto and east Menlo Park and Redwood City and Mountain View. How are we going to be able to have programs that address them? As you mentioned, our Downtown TMA has seen that that is our highest drive-alone base. At a

TRANSCRIPT

minimum, they may be amongst those that would benefit from the Eco Pass at a very low cost. That's one thing that I would like to encourage you to do sooner rather than later, roll those employees into that very low cost Eco Pass system so that you can soon get data on how effective was that. That's certainly not going to serve East Palo Alto, and that's going to be one of the things we're going to have to figure out. How do we give better transit service really north/south, but we kind of think of it east/west, for those workers? Thank you very much. We look forward to hearing the results of both your surveys and how effective the first phase of these programs become. Thank you for your presentation and your work.

Ms. Jarvis: Thank you.

4. Update on the Formation of the Downtown Transportation Management Association (TMA).

Mayor Burt: Our next item is our other update on Transportation Management Analysis, our Downtown TMA. Welcome Joshuah. Who would like to begin?

Joshuah Mello, Chief Transportation Official: I'll begin. I want to thank you for having us this evening. I'm joined to my right by Wendy Silvani and Rob George who are going to make a little presentation after I do a brief introduction. Jessica Sullivan unfortunately is under the weather today. She was not able to present on this topic. I'm doing my best to fill in for her. I've briefed myself on all the developments up until today. I'll be glad to answer any questions. Hillary's also here if we have any questions that I can't answer. You've seen this slide a couple of times to date. We just like to put this in there because we always want to reinforce that the TMA is part of a greater picture to reduce SOV trips Downtown. We've done a lot of work on the RPP recently. We're going to be coming to you shortly with some updates on the parking wayfinding and the parking technology. We just had a highly successful set of public meetings on the Palo Alto shuttle restructuring last week. We had about 40 attendees during the day, and we held an afternoon session and an evening session. Both had great attendance. Just an overview and a background of the formation of the TMA. There was a Colleagues Memo back in 2013 as well as a Study Session. Staff received formal direction to create a TMA back in February 2014. In August 2014, we brought to you a contract with MIG and Silvani Associates. That was the result of a competitive procurement process where Staff actually ranked MIG and Ms. Silvani as the most highly qualified candidates. At that point in time, we asked them to actually form a team and begin work on the TMA. That contract had a Task 1 which was to convene a steering committee and also form the TMA. There was also a lot

TRANSCRIPT

of associated marketing and coordination. That schedule laid out a 19-month process from starting in August 2014 to actually incorporate the TMA and move forward. Early in the process the first step—I think there was a significant amount of time spent on this—was to do some background research and look at other communities that have successfully created TMAs. Contra Costa Centre as well as Emeryville are pretty good examples of highly functioning TMAs. The steering committee looked quite closely at those two programs. We also conducted a baseline data collection effort where we surveyed all the Downtown employees to determine where they were coming from, were there differences in different types of employees, and how they commuted to work and how did Downtown Palo Alto compare to the greater region and the county. Here you can see the results of that survey. We just heard from Stanford Research Park. The current Single Occupancy Vehicle (SOV) trip rates for the Research Park are 70-80 percent. San Mateo and Santa Clara Counties are somewhere around 75 percent. Downtown actually has a fairly low SOV trip rate when compared to other areas within the Bay. We're somewhere around where Google is, and Google has some pretty significant trip reduction efforts underway. We're starting from a fairly good place. Surprisingly, where our employees come from looks a little bit different from the Research Park. We have a significantly larger proportion of folks who actually live in Palo Alto. That's 22 percent. Here you can see we have about 22 percent of Downtown employees who actually live within the City of Palo Alto. Our East Bay proportion is only 7 percent. I believe the Research Park was somewhere around 20 percent. A large majority of the employees Downtown actually come from the Peninsula and the South Bay which presents a great opportunity because those are areas served by Caltrain generally. Full-time workers Downtown, 53 percent drive alone. Part-time workers actually drive at a higher rate. I think you can infer from that that they may work more irregular schedules, and you may not be able to depend on transit as much as a full-time worker. They may also not receive some of the benefits as far as transit passes and other benefits that are available to full-time employees. Office workers in the tech sector are much less likely to drive than retail workers and restaurant workers. Again, that may have something to do with the irregular schedules and the different shifts that those folks tend to work. An example of some hands-on help. A lot of these businesses Downtown don't really have effective marketing to their employees. One of the main goals of the TMA is to help promote some of these trip reduction strategies, transit pass availability. The larger employers generally have the staff and the resources to handle that. One example is the Epiphany Hotel. After the TMA met with the hotel employees, 20 of them signed up for the Go Pass and 17 got personalized trip planning. It really just took someone to reach out to them and explain the different options that were available. High level conclusions from our

TRANSCRIPT

survey. This is a survey that we intend to do annually to track the performance of the TMA. Commuters who use public garages are more likely to be government workers, hospitality workers or light office. Nearly half of the SOV drivers expressed an interest in using alternative transportation. There is an interest there to get away from driving alone and to use some form of alternative transportation. Most likely to seek alternative options are the younger folks, those who work for large companies and those who have a flexible work schedule and live more than 10 miles from Palo Alto. Google actually saw this same result when they started to implement some of the TDM measures. That 2-9 mile distance, a lot of people actually tend to drive alone in that 2-10 mile distance. Google actually introduced an e-Bike Program where they saw a significant adoption, and they were able to capture those folks where it's just a little too long to ride a bike or walk, but transit may take too long. A lot of folks are driving within that 2-9 mile radius. Of course, we all share this. There's a perceived lack of convenience with transit and some uncertainty as to the location of stops and how transit will assist someone getting from home to work. It doesn't work for everyone. I think a lot of this has to do with education and personalized trip planning. As part of the scope of work for MIG and Silvani Associates, there was a steering committee convened. The steering committee met through all of 2015. The end product was the incorporation of the TMA as a separate entity from the City. This is standard across the board. In general, most TMAs are separate entities. They're able to receive private funding and serve as a coalition of different businesses and agencies and employers. In January, the Board was officially formed and had its first meeting at the end of January. Based on the fact that 70 percent of all Downtown employees work for companies with 100 or more employees, the structure that the Board elected to move forward with was to have three seats dedicated to large employers, two to medium employers, and then one to small employers. I think part of the reason the Board was structured this way is that the large employers bring a lot of resources to the table. They're already running some fairly significant TDM programs within their own house. Having them on the Board helps to bring some of those programs to bear for some of the smaller entities. The Palo Alto TMA Board representing the small employer, and this is the Board as currently structured which was initiated back in January. We have Rob George who's actually joining us this evening; Bob McGrew from Palantir; Suzanne Mason who is our Assistant City Manager and she represents the City, and the City itself is a large employer in Downtown; from IDEO is Jonah Houston; and Lucy Tice from Google as well as Jeffery Phillips from the Garden Court Hotel. As far as funding, there's an existing consulting contract that we've been administering, and that's the MIG/Silvani contract. There's some project management fees as well as a 2016 employee commute survey that are still remaining in that contract. The Board has also received some

TRANSCRIPT

contributions from the large employers; \$10,000 from the large employers, \$2,500 from medium employers, and then a \$50 contribution from a small employer. They're also actively seeking grants from other businesses and foundations. I think they've been fairly successful in that already, but they're going to talk a little bit about that in their presentation. As you may remember, the City actually programmed \$100,000 to implement TDM/TMA pilot programs for FY 2016. That funding is still unexpended. We have not dedicated it; we've been waiting for the TMA to get up and running before we came to you with a proposal to use that \$100,000 in pilot program. It's our intention to ask for an additional \$100,000 in future years to help support the operations of the TMA. I think it's important to note that any funding that was dedicated to the TMA we could attach goals and performance measures and any type of strings, if you will, to that funding to ensure that we were updated regularly on the progress, and that we could track whether the TMA was meeting certain goals that were associated with that funding. With that, I'll turn it over to Rob and Wendy.

Rob George, Philz Coffee, TMA Board Chairman: Good evening, Mayor Burt, Vice Mayor. Thanks for having me this evening. I'm very excited to be sitting here after a long year of meetings with the steering committee to be fully formed. It's really a pleasure to sit here. Just a little bit about myself. Area leader for Philz, a small employer in Downtown. I come to this Chair in a very unique way. I'm not a transportation expert. I'm someone that enjoys being deeply immersed in the communities that I live in and that I serve in as an employee and employer. The 3 years that I've been with Philz, I've been involved in the City of Palo Alto. It started with Jessica asking me if I'd join the Residential Parking Program (RPP) Steering Committee almost 3 years ago. Here I am sitting today in front of you. Thank you for the privilege. I'm excited to share what we've worked on so far and look forward to your questions afterward. First slide is really just an overview of our mission statement. The mission statement itself is much larger, but I wanted to draw out two key themes from our mission statement that really lead with our spirit of collaboration not just from business but from residents as well. I think that an important piece of the TMA being successful is that we not only get support from the business community but also from the residents that are loyal customers and in some cases are our advocates in this process. The first bullet—I'm really calling out the bold statement up here. Really our goal is to reduce single occupancy vehicle use by coming up with solutions. I think that's something that we're excited to do. Our Board is a pretty dynamic bunch, and solutions are important when it comes to moving this TMA forward and being effective. Again, to emphasize a diverse range of employers, employees, residents and visitors, because there are so many visitors to Palo Alto for a variety of reasons. I think we can't forget those visitors as well. The second thing is really that

TRANSCRIPT

the TMA be an active voice for local and regional transportation issues. I think Jamie's partnership with us and us already working together with the SRP to come up with practical solutions are an important partnership and an example of how we're already living this mission statement. The next slide is really a few milestones over the last year. The steering committee was made up of over 12 of us that met ten times throughout last year. A lot of work was done during those 12 meetings. I think one of the highlights, if not the crown jewel of that work, was the Downtown Mode Split Survey. There's been a lot of call for data, and I think it was the first time that there was actual real data about transportation and Palo Alto. Referencing back to one of Josh's slides, we were proud to hear that we had a 55 percent SOV usage which all made the TMA's job more difficult before it was even formed. It was really exciting information to receive right out of the gate. We also invited and did research with companies Scoop, Carma, Move, Lyft and other organizations to talk about innovative options and some of the subsidy options as well. The website was established and in the process of updating right now. One of the things we did this morning was update our upcoming meeting, Thursday afternoon, so the public knows what we're working on. Despite the website not being completely up-to-date, the meeting time is up-to-date now. We also put together a—this is really a mockup of a brochure that we would like to use. I'll share with the Council Members afterwards some outreach-type brochure so we can just hand them to folks and they can read about the programs and how they work with their life in Palo Alto. Just some highlights again about those dates. In December we incorporated as a 501(c)(3). Our Board was formed in January. We had our first meeting at the end of January on the 28th. We've had three meetings and have gotten a lot of work done. They've been active meetings, and we're really proud to be at the point we are right now. We have a contract with the Silicon Valley Community Foundation as our fiscal sponsor, so that got us up and running as a business right away. In February, proud to say that we have over \$55,000 pledged in contributions really just days after the formation of the TMA. In March we're finalizing initial programs. We don't have a budget yet, so one of the things on the agenda for Thursday is—I'm going to share some information about the numbers with you, but that's without Board approval. We'll be taking a look at those numbers and turning them into an actual budget at an upcoming meeting. In April, our trial program begins. We want to get the ball rolling. We want to show that the TMA can get into action quickly and programs can have an impact immediately so we can kind of gain your confidence for the future. I think, as Josh mentioned, we're privileged to have funding. We want to continue to have that funding so we can continue to offer those benefits to the community. This overview slide talks about our programs that we have planned for 2016. Like I said, the Board has done a lot of work. There's really a goal to change commute behavior for 200-300 employees. That

TRANSCRIPT

number was a tough number to come up with. Based on the successful SOV rate in the Downtown, we felt that getting that number of change or that much behavior change would have an impact that we would feel. The first one of the pilots that we're talking about is commuter transit subsidies. The second one is Scoop carpooling sponsorship. We met with them last summer. We were pleased to find out that Stanford Research Park was also having conversations with them. We think this is definitely a program that will create some excitement Downtown. The last would be a partnership with Palo Alto free shuttle and some marketing ideas we have around that. This bottom information is just really to give you guys an idea of what a 30 percent SOV reduction looks like. I think back before we were formed and before the steering committee even was started, that was the mandate from the Council, that we work toward this number. Our goal is to reduce. I don't know what the ultimate number will be, but you can see we've tried to put some real numbers to that for you this evening. This first slide is about Pilot 1. I think that this—I'll go over the bullets and then add a little commentary after. This is commuter transit subsidies. The first comment up there is free transit passes for up to 6 months for 150-200 workers. This is tied directly to the RPP. I'll give you a few more details at the end of these bullets. The second is reaching out to Caltrain, VTA and SamTrans through Clipper to create sort of a one-use tool for folks in Palo Alto to use. Prioritize to existing low-income RPP to incentivize folks from getting out of their cars and into public transit. I think that's our number one toughest group to move out of their cars based on the fact that so many of them are driving to multiple communities throughout their day. They may work in Palo Alto; they may go to school in Cupertino; and they may live in San Jose. Our idea of dynamic implementation based on demand. The idea of us having a budget number for the first month of the subsidy and based on the adoption of that budget, we'll be able to flex the future month's budget to accommodate that. Below is just some information about the cost of monthly passes relative to the public transit modes. The second is tied to the Scoop carpooling sponsorship. Like I've mentioned, we're going to be launching at the same time as Stanford Research Park, and we're excited to have that happening. Basically Scoop has come up with information that leads us to believe that we can move 50 Downtown commuters to this service who can't find any viable use of transit. If I could refer back to that 22 percent of folks that live in Palo Alto that work in Palo Alto, that would be a great target audience for this promotion moving forward. Of course, the same \$1 per ride with the subsidy; the regular price is \$5. We would subsidize \$4 of that ride. This is really based on information that Scoop provided us through that meeting last summer; the goal of having 300-plus downloads and 1,200 vehicle trips is reasonable for a City of our size with information that we had gathered from the Mode Split Survey. The last is shuttle marketing. I think that Palo Alto has the privilege of having a free

TRANSCRIPT

shuttle for folks that visit Palo Alto. It could be for visitors; it could be for workers. It's definitely for residents. We have tossed ideas around about a co-branding with the TMA and the free shuttle and making the free shuttle the robust benefit that it can be to help fight the traffic in Downtown and make it a better place to work, to live, to play for those visitors as well. Again, we're just in the idea phase of this, but we're excited about this one opportunity because it's already an existing program offering free transportation throughout Palo Alto. Some other programs that we've talked about but haven't fully fleshed out in those three meetings that we've had is implementing a guaranteed ride home program, making sure that no person that chooses to use public transportation is stranded in Palo Alto because they can't get a ride home. Advocate for bulk transit programs for us is that it's unfortunate that a company of my size is paying significantly more for a pass than one of the larger companies in SRP or Palantir or other large employer Downtown. I think another key bit of information that we're excited to see is we'll be conducting the second commute survey to see what some of these efforts already just from the steering committee and your support and business support the movement we've made over the last year. Also I think important is to talk about developing long-term relationships for funding streams so the TMA is not just an organization that's great right out of the gates, but it can sustain itself for years to come. Of course, as the Chair, we're fortunate to have the City's generosity and to have Wendy Silvani as our interim Executive Director, but we need to recruit a strong Executive Director for our program, for our TMA. This slide is just really some numbers, a draft budget. Really what it is at a very general level is a slide with revenues and expenses. I think that it's pretty self-explanatory. I had a chance to talk with this and get some questions from the Planning & Transportation Commission (P&TC) last week. We are in the black after our third meeting, \$165,000 in projected revenues. Our pilot programs are sitting around \$128,000 as we've planned them right now. Business contributions a little over \$35,000. Foundations and other contributions of almost \$30,000. We've had an anonymous foundation contribute a large amount of \$30,000. We're excited to have them onboard. The pilot funding, the reason that we're so excited about getting moving quickly is we want to be respectful to the \$100,000 pledged by the previous Council. We want to make sure that we make full use of that to show how dynamic this TMA can be for us. That's all I have this evening. I appreciate the time and very excited to hear your questions.

Mayor Burt: Thank you. Colleagues, questions or comments? Council Member Wolbach.

Council Member Wolbach: I'll start this one off. First, thanks very much for the presentation. Up until a few months ago, I was starting to have a little

TRANSCRIPT

bit of heartburn wondering what was happening with the TMA, so I really appreciate the steps that have been taken in the last few months to really move this forward. I kind of feel similarly to what we're seeing with Stanford, the previous presentation. I think the last few months have garnered some real forward progress. I think that's important. There's still a lot to be determined in the future, but I think we're starting to get on the right track. I think a few things I want to bring up to see if there's any thoughts here for now. Curious to hear from City Staff about progress in regional or sub-regional, especially for City Manager as well as Transportation Director. What's the latest with mobility as a service? We were talking about that in the past, had folks come in from Europe, and want to hear also how that can work with the TMA, particularly tying TMA to the City shuttles.

Mr. Mello: I can kick that off, and then I'll turn it over to the representatives from the TMA to talk more specifically about their efforts. We've been working jointly with the Office of Sustainability to develop a Request for Proposal (RFP) for a—we're calling it a commuter wallet mobility as a service. This would be an application that potentially could be piloted with City employees or the TMA. It would be exactly as you describe, a mobility as a service. We would link all of our parking, transit, bike commuting, any alternative modes into one central interface and potentially tie in incentives and other things to help mode shift. We've prepared a draft RFP. We're currently looking for funding, and we're talking with a couple of potential partners that may be able to provide this service to us pro bono. We've also discussed this project with quite a few vendors. There's a lot of newly formed companies and partnerships that are trying to move this forward. Los Angeles just introduced a pretty significant application that does a lot of the things that we want to do but not quite all. That's kind of what we found. There's a lot of vendors that can give us some of what we're looking for but not all of it. We want to integrate parking, all service transportation, incentives, and then also help spur mode shift. That's kind of where we are. We are continuing to advance that, and we'll probably be coming forward with something shortly. I can turn it over to the TMA to talk a little bit.

Council Member Wolbach: I do have a couple of other questions after that.

Wendy Silvani, Silvani Transportation Consultants: I don't have much to add to that except that Josh is absolutely right. The technology isn't quite there yet with any of the vendors to be as comprehensive and to really have mobility as a service. It's getting there. One of the things that we're going to hope to do with our initial programs is be tracking the data so that we can start to feed it into whatever product or service comes at the end of the day. Whatever we start to work with, we're going to make sure that we can

TRANSCRIPT

transition over time as the technology catches up and everybody's willingness to share data, which is another of the major barriers to this happening. Everybody thinks their data is pretty special. We're all moving in that direction, so I would say that's maybe a couple of years out still for it to be really user friendly.

Council Member Wolbach: Next question on funding. I note that your note here on the last real page of the second presentation, you point out—I know you're going to talk more about funding later. The kind of rough draft budget that you have here doesn't include a lot of the things that are going to be substantial parts of your budget. If there's anything you want to add now or if Staff thinks that we should just wait entirely until the action item at the end to talk about funding, while we have people here from the TMA I'd be happy to hear from them if they have anything else they'd like to add about funding requirements and what you see as challenges and opportunities regarding funding.

Mr. George: I would have to say again time. We'd like to talk as a complete Board about funding. One of the things that we are hoping to do and looking at the complexion of our Board is it's a very diverse group. There's some innovative ideas that can come out of this group. To answer that question specifically might be a bit premature at this point. I assure the formation of the Board had that in mind. The projects that we've kicked off were really about showing how nimble the TMA can be right out of the gate. I think on Thursday we'll have a finalized budget where every voice is heard instead of just talking in generalizations at this point.

Council Member Wolbach: Two more questions. The City of Palo Alto is a larger employer. Just want to as always encourage that we really walk the walk. I think there's a lot that we can still do as a City to lead. There's probably a lot more we can do as an employer ourselves. If there's anything Staff wants to weigh in on that today, otherwise I know that's something that Staff is keenly aware of. I just want to throw that out there again. Lastly, again on the City shuttle and the TMA in conjunction there. TMAs are often talked about as being really just for employees, just about reducing employee trips. You guys have it right there in your mission statement that it's about employees, employers and visitors and residents. If we're talking about moving around visitors and residents, the City shuttle is about moving around residents in particular. I think it's really important that we do have a strong seat and a strong voice as a City representing the residents on the TMA Board. I saw in the Staff Report that there is still flexibility going into the future. I know there have been some concerns raised by folks in the community, including Mr. Buchanan who I see sitting here, about the

TRANSCRIPT

structure. It looks like there's still some flexibility, so we can change the structure going forward. Is that correct or did I misread the Staff Report?

Ms. Silvani: Our Bylaws were formed, and the ratio of large, medium, small employers is aspirational. It's not locked into place. We can expand the Board with a simple vote. There's a great deal of flexibility. It was recommended to us by the nonprofit attorney that we used that we start with a very small and committed Board, because it's much easier to get something going that you start with a smaller nucleus. You get something going as you see with the programs we're suggesting, and start to prove ourselves and grow from there, rather than start with trying to be all things to all people right off the bat. There is that flexibility.

Mr. George: One other thing I can add is that we have been actively discussing a resident sort of task force to support us, advisors, so we can sort of put our money where our mouth is. If there is a community that can do this and do it well, it would be Palo Alto. It won't be without resident support. We plan on bringing them to the table.

Council Member Wolbach: I appreciate that. If I may just weigh in on structure and public noticing of your meetings and things like that. I know that there's some ongoing discussion and questions around whether your Board should essentially follow Brown Act-style rules. My own sense is that would decrease the ability of the organization to be nimble and defeat the purpose of having an independent organization that's not part of the City. I do think that if there's an opportunity to have publicly noticed meetings and encourage members of the public to come and see those meetings so that there is clarity and transparency and the public input is sought and encouraged, I think that would be very helpful. It would be a really good sign that this is really about helping residents. It's not just about employers and employees and the secondary effect of helping residents by alleviating traffic. Also, on the question of the rebranding that was mentioned for the City shuttle and working with the TMA on that as was referred to earlier, I think I've mentioned in the past. When I used to live in Los Angeles (LA) and go to Santa Monica College, I rode everyday into LA of all places the Santa Monica Big Blue bus. Really well branded, cute name, easy to see. Palo Alto little green shuttle still gets my preference, but I'll let you take that under advisement because we're not taking votes tonight.

Mayor Burt: Council Member DuBois.

Council Member DuBois: I just want to say I appreciate the work of the steering committee. You guys got off to a good start which is nice to see. I'm curious. In the model, will the membership fees every fund the TMA

TRANSCRIPT

entirely? Has that happened in any other city? Rarely. A quick comment. We heard from Stanford tonight that they got the ZIP Codes of all the regular employees. The survey was definitely interesting, about 12 percent overall participation rate. It would be great to see if you could get anonymous ZIP Codes of just as many employees as possible.

Mr. George: We're working on gathering as much of that information as we can with respect to the folks' information. I can volunteer that I'm the small employer at the table. With a tad under 35 employees at my business, my team represents 14 different Zip Codes. I think if I'm a representation of other service businesses in Palo Alto, we can add many numbers to that list. The pilot of offering 100 percent subsidy to those low-income workers that drive in to work at coffee shops and restaurants in Palo Alto in an effort to get them out of their cars is really tied to our desire to show you that people can change and appreciate working in Palo Alto regardless of what's happening with those permits years down the line.

Ms. Silvani: We do have a little bit of Zip Code information both from the Mode Split Survey that was done last May, and we'll have it again this May. We also are running that information against the RPP holder blind Zip Codes, so that we can really see, as we target our transit subsidy pass program, those Zip Codes where there's already good transit usage, which means that transit exists, it's working for people. We're correlating the RPP holder ZIP Codes against that as part of the design of the transit subsidy program so that we can really offer it to people for whom it offers a great value.

Council Member DuBois: Stanford said that they included Palo Alto in the south. Actually I think our numbers lined up exactly with their numbers, 50 percent South Bay. If you throw in Palo Alto, that's where we were. 20 percent Peninsula, 10 percent San Francisco is very close. Comment, questions. The Board size does seem small. It's hard not to compare since we just heard from Stanford. The 12 largest employers seemed very impressive. Definitely would like to see more participation. I think a larger size Board would make sense. Definitely would like to see a business plan tied to financing requests. Curious how free commuter passes was selected as the first pilot. As somebody receiving a free pass, it'd be hard not to like it. I'm just curious why we immediately jumped to free transit passes.

Ms. Silvani: The free passes are really to be a powerful incentive to move the needle immediately to get somebody to say, "I'll try this," and to have a big enough carrot that it's worth it for them to try. We know that the bulk pass program that costs \$15 a month for somebody who works for a big company and costs 90-plus a month for the poor guy who works for the tiny employer, that's one reason that the part-time, lower-income people don't

TRANSCRIPT

take transit, because it's very, very expensive. Targeting the (Residential Parking Permit) RPP holders, the low-income RPP holders initially, we thought was offering a really good value that we would be able to measure also very quickly. We can adapt that depending on what the utilization is.

Council Member DuBois: Again, kind of a bulk buying program where we get a low price for everybody makes a lot of sense to me. I'm not sure what the long-term model is to give people free passes. That just seems like it's going pretty far. We're going to have a discussion later tonight about kind of the financial situation. The other thought I have is kind of tied to this idea. I wasn't on Council at the time, but I actually attended most of the meetings where the TMA was discussed. When a city as a public entity starts to fund a TMA, it sometimes strikes me as odd. I can see a city funding public transportation and having that used by everybody. I get a little bit concerned about general funds that are targeted to say commuters or more private. Tied with that comes the need for kind of public information, public control. Again, the way Stanford did it made sense to me in that Stanford is paying for the shuttles, paying for the bike share, set up the umbrella, but the employers are paying for more the employee-specific kinds of benefits. I can see the City doing something similar in that our investment and our shuttles and things are a major contribution to the TMA. The VTA sales tax, they have said that some of that money could be available for things like TDM, particularly where the local streets are at a high quality level, which we are. Again, that's part of the later discussion. Obviously, the City kind of participates at two levels. We participate as a large employer. For that part, I think we should contribute. Then we participate as kind of the umbrella organization. I am kind of curious what you guys think in terms of mechanism to ensure business participation. Is it all carrots in that it's just better and it makes sense for everybody or because we're not the same as Stanford, we're the landowner and the leaseholder, do we need to have sticks as well as carrots to really boost the TMA?

Mr. George: To address the first part of your comment, I think that the future and funding sources could be quite dynamic. I guide you back to the Board for innovative ideas. Initially for the TMA to get off to a solid start, we are hoping for funding support from the City in the initial years to get us off the ground. If you look already to the Foundation and contributions that we've had just literally 45 days in, that could be the bright future that the TMA is looking for. It could also involve partnerships with other cities up and down the Peninsula, a larger TMA that spans beyond Palo Alto, that supports commuter options across the areas and into San Jose that the Council spoke with concern about at SRP's presentation. I hate to spin a little bit here, but I really think that in good faith we've put programs

TRANSCRIPT

together that can immediately show that we can have an impact. Moving forward, I think our plans will be more future based.

Ms. Silvani: I would add that we will be discussing at our upcoming meeting planning some quality time to start to come up with a strategic plan that will look at programs, funding, where that funding comes from and what will be required to sustain us. There's so many details around just forming a business and launching the business. That's been our focus for the last couple of months. Now that we are official and we are an actual entity, we can move onto the next step which is to really come up with a solid 2 or 3-year plan. In a few months, we'll have a much better answer for you.

Council Member DuBois: Again, I don't want to downplay all the effort you guys have made so far. I really appreciate that.

Mr. George: Thank you.

Council Member DuBois: For most nonprofits that would come and ask for money, though, we would expect to see a plan. I'm sorry; go ahead.

Mr. George: The one comment we're going to make is the Board aligns at this point that we don't want our Executive Director to be the fundraiser in chief here. We would really like that Executive Director to represent and be a spokesman for all of our initiatives and not necessarily going door to door. It's something that's in our minds in terms of the future of the TMA.

Council Member DuBois: You guys didn't really answer the carrots or sticks question which would get to not needing to go fundraise all the time. Do you have any comment on that?

Ms. Silvani: Again, I think it's premature right now because the Board needs to address that as a whole.

Council Member DuBois: Thank you.

Ms. Silvani: We want to do a thorough job.

Mayor Burt: Council Member Holman.

Council Member Holman: Just a little bit of clarity here, if I could, procedurally. What you're looking for right now is questions, then we'll go to the public?

Mayor Burt: No. This is a Study Session. Our practices and policies are that Council does discussion and typically at the end of a Study Session we hear from members of the public. It's both questions and comments.

TRANSCRIPT

Council Member Holman: I thought you had asked just for questions. Clarity so that we don't repeat ourselves too. Item Number 13 on the Agenda, while the subject is local funding strategies, in the executive summary it says the current item has been agendized to permit the Council to discuss transportation programs more generally and provide follow-up direction to Staff and/or an ad hoc committee. So that we're not repeating ourselves, is Item 13 really intended to just address funding only or to have a conversation about the mechanisms? If I can get some clarity on that, it would be really helpful.

Mayor Burt: This evening it's intended to focus on the funding. We have a scheduled Council meeting in approximately a month. Joshua, do you happen to know the date where we'll have our full update on Citywide transportation initiatives? Is that on the agenda for a specific date?

James Keene, City Manager: I don't know, Mr. Mayor, if we've got a single item. We have a series of individual items coming relating to parking strategies, the shuttle. Over the next two months, we probably have four or five different items.

Mayor Burt: It was not conceived that tonight we would be able to address all of those different programs. What we wanted to do was encourage first these two presentations tonight to really get an update on what's happening and even what's possible through these kinds of TMA initiatives and to add the Item 13 so that we could look at potential funding alternatives that might be timely.

Council Member Holman: That's helpful to have that clarity. Thank you to all of those who have volunteered and for Staff for your leadership on this. Don't let any of my questions or comments take away from that, because that still holds true. I do have some questions. The Business Registry as a strong tie into this is referenced a couple of times in the Staff Report. If we have three largest employers that represent—I made a note somewhere—300-plus each, if those 300—I don't know how many employees that is. The proposal is to get 30 percent reduction of single occupancy vehicle trips, and it's 5,500 SOV trips now. How many employees do the larger employees represent versus the medium-size employees versus the small-size employees? Do we have that break out?

Mr. George: We do. We have percentages. I don't have exact numbers in front of me. Employers with 1-25 employees represent 24 percent of the total Downtown employees. Businesses with 26-100 employees represent 32 percent of the total Downtown employees. This is based off our survey

TRANSCRIPT

which was scientifically valid. Large employers which are 101 or more employees represent 44 percent of the total Downtown employees.

Council Member Holman: My question is—I'm thinking about the Board here, the construction of the Board. It seems like the Board should be a better reflection of the construct of the employee load. That's what it seems to me. You have, I think—I read this the other day—three large businesses and one small business and that's out of percentage or out of ranking for how the employee numbers actually rank. I'll ask a few questions about the Board structure. That's one. In reading through the Bylaws—they are draft at this point in time it seems, because we got a redline version of them. How is it determined what the mechanism is for holding meetings? The reason I ask is because it looks like there's no requirement for any of the Board meetings to be open to the public. As a matter of fact, it even looks like some of the work can be put off to a committee or individual that's on the group. How would there be an opportunity for the public to weigh in on that or see what's going on? If it's only a six-member Board, that means one person, two people. I guess it's the structure, the construct and how public it is and how people, whether they're interested members of the public or other employees and employers, would have an opportunity to weigh in on any of this? At least as I read it, it looks like none of the meetings are required to be noticed. If that's accurate, why was it determined to be that way?

Ms. Silvani: First of all, you're not looking at the final document that was filed when we did incorporate. You are looking at a draft, and I'm not sure ...

Council Member Holman: It's what's on the website, and it's the last I've seen.

Ms. Silvani: That was the last of the steering committee. When the Board adopted in January the Bylaws, they were finalized. We will be posting the final version of the Bylaws.

Council Member Holman: Would you answer the question, though, too? Is there any difference between how meetings are noticed between the draft and the final?

Ms. Silvani: Without looking at the actual Bylaws, I can't answer that. It's our intention to hold public meetings. I know that. Beyond that, I can't speak to it.

Mr. Keene: Can I jump in here for a second? Is there specific language that you're referring to that excludes the public or is this more a question of not explicitly stating that this will be public? My understanding is the intention—

TRANSCRIPT

it's clearly within our discretion as to what the practice could be for the Board.

Council Member Holman: I don't have the right glasses with me and it's small print, so bear with me for just a moment. Regular meetings, this is Page 8 of the draft. Meetings will be held quarterly without call or notice on such dates and at such times. It's also mentioned just prior to that, annual meetings. The Board shall hold an annual meeting for the purpose of organization, the selection of directors when required by those Bylaws and officers, da, da, da. Annual meetings of the Board shall be held without call or notice. Do I just misread what that intention is? If so, then I would like the language to be clearer going forward.

Mr. Keene: A couple of things I would say. I wasn't part of this; I would imagine this is borrowed from some standard language that is used. Number one, if the language isn't clear, there's a process for amending the Bylaws to make it clear. I think the best direction ultimately to get from the Council would be, if you want to ensure that the meetings are public, certainly the meetings of the Board, then you should state that today. That can be very clear, and we'll be sure to follow up whether there's a necessity to clean or change the language or the practice. Certainly as City Manager, I'd be advocating that the meetings of the Board be public. Your earlier question as it relates to the size of the Board, the Bylaws do explicitly set, at least now as I read them, the size of the Board. There are only six or so Board Members right now with the ability to add up to seven more, to thirteen. It sets minimum limits as far as the makeup of the Board by business size. Again, interesting concerns that the Council expresses could be things that we could work with the Board and take a look at as far as adding future members to the Board. My sense was—again, this is just as somebody as an outsider here—that the startup of the Board was to tap into folks who were actively interested, engaged and willing to make some contributions to help get the TMA launched with the clear understanding that the Board would have to grow. Obviously the reach of the TMA is going to have to significantly grow. It seemed easier to get it started and get going and then add to it than it was to maybe try to get people on the Board who might not be interested out of the get go or might not be the optimal balance in representation.

Council Member Holman: Let me say very clearly that I think the meetings ought to be public. It's not really clear to me how the Board selection was made. Is it a self-selecting group? It also says in the draft, because that's what I've seen, that members have to be people who have made contribution to the TMA within the last year. That eliminates a lot of people who maybe didn't even know that they could make a contribution or what

TRANSCRIPT

the level of participation was. That cuts out a lot of people. I personally would like to see that struck. You want people who are committed to making a TMA successful, but not limiting it to people who have made a contribution, who may not even know that there was an opportunity to do that. Stanford has the advantage—you heard their presentation about the TDM—of being a single property owner. For us to go forward with the TMA, we don't have that advantage. It's partly the funding, but it's partly also an incentive. If we make the pricing right, that could be an incentive. It would seem to me that we ought to look at phasing in increased pricing of permits in neighborhoods. That's going to get people incentivized more, it seems, to get out of their cars. All of the comments that I make are always sensitive to low-income workers, retail, personal service and smaller businesses. Take it in that light. Also in the structure, in the Bylaws, there's nothing that I read that indicates any kind of reporting out to Council. I think there needs to be clarification of what the role of the Council is, what the role of the City is. I'm not comfortable with this going off, especially in its neophyte stage, and being an independent entity. That's just going off and doing whatever it's going to do. There have been things accomplished, but it's been dark as far as the City's concerned for the last—how many months? Well over a year. That needs to be clarified. There needs to be a stronger relationship and reporting mechanism to the City if not the City having a stronger participation in constitution of Board, approval of Bylaws. That's the driving document. On Page 7 or Packet Page 13, the resource impact in the TMA proposed draft budget—this is understandable that most of the funding to date is being proposed with a \$182,000 budget, only 54,000 is dedicated to actual transit relief. The rest of it is to administration. I understand that, because you have to pay staff and other things like marketing and blah, blah, blah. That said, it's a very underwhelming goal for the first year from my perspective because this seems to be for the whole of 2016. We're only in March now. In your presentation, there are more aggressive goals. It seems to me this is a very, very slow uptick or ramp-up on the programs. Your looking just for City funding and for grants to come forward seems like a very constrained approach. Hang on just a half a second. Those are really my questions and comments. Other than to say the TMA is a great opportunity. It's also not just an exercise. It's serious business with possibly positive outcomes that can lead us into the future, that's better than where we are now. I want it to be approached in that way. Right now, it seems like it's kind of muddling along as a slow-moving organization that isn't really approaching or attacking this in a manner that seems like it's ambitious about achieving the goals that are set forward. By the way, the mission statement is not reflected at all in the Bylaws. I know that they're two different things. I've been involved with a lot of nonprofits, but the Bylaws should say something about in order to achieve the mission, blah, blah, blah, or something of that nature. There

TRANSCRIPT

seems to be very much a disconnect between the first portion of the Bylaws and the mission statement. The Bylaws, I think, have a lot of problems with them. They seem to be cut and paste from something else. They seem pretty bland and disconnected, I think, from the endeavor. Those are my questions and comments at this point.

Mayor Burt: Council Member Berman.

Council Member Berman: Thank you, guys, very much. At first when I took a look at this, I thought to myself, "Wow." Council Member Kniss and I were talking about how it was a long time ago when we brought up this idea or when ...

Council Member Kniss: Three years.

Council Member Berman: ... Council Member Kniss brought up this idea with some other former Colleagues. I thought about some of my experiences from my work experience. I was kind of reminded of this East Side Alliance that we set up at this education nonprofit that I worked for on the east side of San Jose, where we were trying to get seven different school districts that all feed into one high school district, 85,000 students, teachers, parents, labor unions, all these different actors. It takes a long time. If you don't take the time to get the foundation set up properly upfront, you're going to fail. I know that some of my Colleagues think that this is taking a long time and it's slow moving and hasn't gotten much accomplished. I look at it from a different perspective of I think you're being smart to be diligent about it. I think there are things that can be improved. Getting more resident involvement, I think, would be a good idea. I'd like to see more reporting back to Council so that us and the community know what's going on. I've got some questions about what, Wendy, you've seen with other TMAs. The idea that things will move faster if Council gets more involved, that doesn't work. Careful what you wish for in terms of how we want to see this move forward. In terms of what you've seen with other TMAs—this is all kind of new to us—how involved are most city councils? How does this structure compare to other structures that you've seen?

Ms. Silvani: Every TMA is a little bit different, because every community is a little bit unique.

Council Member Berman: Especially ours.

Ms. Silvani: No, you can say that about every community. I've been involved with several TMAs, and I've set several up. I've worked in Emeryville. I've worked in San Francisco. I've worked in Alameda, San Mateo. They're all different.

TRANSCRIPT

Council Member Kniss: Can you get the mike any closer? I know it's so awkward down there. They hopefully are taping all this.

Ms. Silvani: There is no cookie cutter, and there's not a perfect solution. In every community, the success of the TMA is how well it reflects the needs of the community and how supportive the community is of it. I can tell you without fail every startup TMA has seen funding given by the cities. The involvement of the council beyond that has been pretty minimal. I think that the mechanism for the concerns about reporting back to the Council—first of all the TMA is happy to come report to the Council any time, twice a year, three times a year. That's the language that's really in the funding agreement that says what kind of reporting and how often you want. That's the place for that, not the Bylaws, because the City may not always have a role in the Bylaws. You want your Bylaws—one reason that we actually hired a nonprofit specialist attorney to draft the Bylaws was to provide for a basic document that would be good governance regardless of what direction the TMA took. This TMA, we felt, would be best served by being a 501(c)(3) so that all contributions to it are tax deductible for people, and we could go after foundation money. A lot of TMAs are 501(c)(4) which are a different structure, and it's not a tax deductible contribution. We actually put a good deal of thought into our Bylaws, and we took several months to get them right. That's not to say that they're perfect and that they won't be revised and amended as time goes by and as new needs come up. Again, for starters, we wanted to build in a very nimble organization. We wanted to start with the funding that we've been told that we had to work with. We said what can we do with funding and what can we do that will start to make a difference immediately, raise the visibility and establish ourselves as a credible organization very quickly. That's kind of the rationale for why we are where we are today.

Council Member Berman: From a personal preference, I'd say early on it'd be helpful to get maybe one actual check-in a year and maybe one informational report a year or something like that. I think there's a lot of curiosity about it, but that can be determined as we go. There's been a lot of talk and questions about members of the Board and that kind of thing. Were more companies reached out to and invited to serve on the Board? How did we end up with the six that we currently have? Were others asked if they were interested, and what was their response?

Ms. Silvani: I'll say the current Board was an outgrowth of the steering committee which had both employers and residents well represented on it. It was a combination of people said they were willing to continue, that they were willing to make a contribution to show that they were very serious about moving this TMA forward.

TRANSCRIPT

Council Member Berman: Were there any folks that you guys reached out to that didn't express an interest? Yes. Was that a lot of folks or was that ... Got you. Have you guys had any kind of discussions about synergies that might exist between a Downtown TMA and Stanford Shopping Center? You talked about other cities, but Stanford Shopping Center, which technically is in Palo Alto, has a lot of the retail companies that smaller companies, and bigger with the bigger stores, might have some synergies with Downtown. Have you guys thought about that at all?

Ms. Silvani: Not yet. We decided to draw the border around Downtown again to be manageable, to get something going. Having said that, we've had a call from another shopping center, Town and Country. We're in conversation with them. That would be something that as we start to work on a strategic plan and say, "Where are we going and what are our programs and what do we need in funding and who else can we offer them to and who else benefits and can have value from this," we'll get there.

Mr. Mello: I would just add that I've been talking up the TMA any chance I get when I meet with property owners that are struggling with parking and access. I've been referring them to the TMA. I think we have opportunity to do that a lot more in the future.

Council Member Berman: Thanks. Thank you, guys, and Mr. George. You gave a presentation like you were a consultant. I was really impressed by your mastery of the subject. That was great. Really appreciate your work on this.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: I'll just follow on to what Council Member Berman said. Thank you very much for putting all your time and effort into this. I actually agree with your approach on the whole, which seems to be to form a nimble board that makes an impact in a short period of time and then reassess where you are after you've done. That's sort of what I heard; I hope that's right. I was a little confused about the draft budget for pilot programs and the budget on Page 13 and how they relate to each other. Maybe you could tell me how they relate to each other. They seem completely different.

Ms. Silvani: I think the budget that is in your big thick packet was prepared some time ago, so it's not the most current budget. Since that budget was prepared, the slide that we showed you is the most recent iteration of the budget for this pilot.

Vice Mayor Scharff: If I look at the slide you showed me, where is the Executive Director's salary, where is the annual commute survey, where is

TRANSCRIPT

the processing fees, where's the marketing, where's all that stuff that was in the other budget?

Ms. Silvani: The budget that we were showing you on the slide is the budget to administer the pilot programs for this year.

Vice Mayor Scharff: Do you have that slide? Can we just bring it up?

Ms. Silvani: We can backup, I think.

Vice Mayor Scharff: That's what I was looking at here. In the packet, where's the Executive Director's salary?

Mr. Mello: If I could jump in. If you look in the packet, there's a line item for \$54,000 for the low-income transit pass program. I think this slide supplants that row in the table that's in the Staff Report.

Vice Mayor Scharff: Wait, wait. Say that again.

Mr. Mello: This slide only identifies the expenditures for the pilot program. The other costs are still there.

Vice Mayor Scharff: How do these two budgets go together? Is the total budget \$182,000 or is it \$182,000 plus ... I mean, the \$54,000 obviously goes to \$85,000, I assume.

Ms. Silvani: Yes, the \$54,000 goes to \$85,000.

Vice Mayor Scharff: The \$54,000 goes to \$85,000, but there are all these other things. How do I reconcile these two? One does not have an Executive Director's salary. Where is that?

Mr. Mello: The \$54,000 that's shown in the Staff Report, that actually goes up to \$128,000.

Vice Mayor Scharff: The difference is that \$54,000 is now \$128,000, and that's all in that. That's the explanation (crosstalk)

Mr. Mello: There's more extensive pilots proposed on this slide than there were in the Staff Report.

Vice Mayor Scharff: I was a little confused. The projected revenues are the business contributions pledged. That's separate from the \$10,000 from the big Board Members, and then there's \$5,000 from the little Board Members and \$1,000 from Philz. Right? That was the way it was structured?

TRANSCRIPT

Mr. George: The large employers is \$10,000; it's included in that line. There's three members at \$10,000. The medium size is \$2,500, and the small is \$50. There's been some miscommunication about the small employer being \$1,000, and that is in fact \$50. That's reflective in the \$35,050 line on the ...

Vice Mayor Scharff: The small employer is \$50?

Mr. George: \$50.

Vice Mayor Scharff: \$50?

Mr. George: \$50.

Vice Mayor Scharff: How did such small contribution amounts become—I mean, \$50 seems ridiculously small, frankly.

Ms. Silvani: This is just the contributions from the Board Members. We have yet to develop other contributions and fees for services and other possible revenue streams. That's what we're going to be focusing on.

Vice Mayor Scharff: What I heard originally was that you didn't want the Executive Director to have to spend all the time fundraising. I just try to figure out how these numbers even work. If the \$54 is \$128, that's an extra—I'm bad at math quickly. It's like an extra \$70,000, so it's \$182 plus \$70. That's \$250,000. Two what?

Male: \$256.

Vice Mayor Scharff: \$256, but your projected revenues is \$165. Right? We're short \$100,000 just to round up. Where's that \$100,000 coming from?

Hillary Gitelman, Planning and Community Environment Director: Hi, Hillary Gitelman, the Planning Director. Maybe I can help a little, maybe not that much. A couple of things. First, the budget that you see in the Staff Report, as I understand it, was the budget that was in place at the time that the organization was forming. This is what was submitted as a draft budget for the organization of the 501(c)(3). It's only natural that that has evolved a little over time. There is also funding that currently exists in the City's contract with MIG and Silvani Associates. That funding is part of what's funding ongoing expenses.

Vice Mayor Scharff: That's above the City pilot program funding (crosstalk)?

TRANSCRIPT

Ms. Gitelman: That's correct. We have an ongoing contract with the consultants that's helping to fund this organization as it gets off the ground. I don't know exactly what the split is, how much of that funding is left, but that's part of what's happening.

Vice Mayor Scharff: I appreciate all that. I guess what I'm trying to get to is a simple answer. It says in here the next big thing to do is to hire the Executive Director. You're estimating \$40,000 which seems really, really low to me. I was curious as to how much time is the Executive Director going to spend on this. Do you have the \$40,000? When I look at this budget, where does the \$40,000 come from? It goes to my overall concern that it seems really underfunded, and it seems that you set the contribution levels of the Board Members way too low. I actually thought they should be closer to \$50,000 for the large employers, \$20,000 for the middle employees, and really \$50? Do I need to say more? I didn't see how you have the funding. What I'm looking for as a City Council Member is I'd like to say, "Why don't you guys go take your year? You've got the funding. The employers seem really committed to this. We'll keep a hands off for a year. You come back to us, and you tell us where you are on this." My concern is really that I'm not sure there's a strong commitment to get this done because the finances don't make sense to me in this presentation. If the finances don't make sense, then it doesn't happen. In my experience, the money is what drives making stuff happen. Unless you guys are going to spend all this time on it, I understand that the City is paying for the equivalent of an Executive Director right now by funding the consultant. That's what I just heard. That's why it's moving forward. You're going to need to have a strong Executive Director, and I'm not sure it makes a lot of sense to me a part-time Executive Director who gets paid \$40,000. \$40,000, doesn't seem like you can do much with \$40,000. If you have a rational, great reason of why we can do this on a part-time Executive Director and \$40,000—I mean, the City can't recruit people at much more than that. If you could respond.

Ms. Silvani: I can respond very briefly. The \$40,000 number that you're looking at, again, was a draft, but it was based on not hiring an Executive Director until June or July or even August because the existing contract is paying for that until then.

Vice Mayor Scharff: What you're really saying is the half-time and the half year.

Ms. Silvani: And that we were not going to actually recruit someone until we knew we had stable funding in place for at least a couple of years so that

TRANSCRIPT

they don't have to spend their first 6 months going out and raising their salary.

Vice Mayor Scharff: If you could just address where that stable funding is going to come from and how that's going to work.

Ms. Silvani: I think we were hoping that we would be coming to the City in another month or so with a much more specific budget based on having specific programs and costs in place to help us.

Vice Mayor Scharff: Got it. Thanks.

Mayor Burt: Council Member Schmid.

Council Member Schmid: I'd just like to reiterate what some of my Colleagues have said. I start from the basis that we'd spent a couple of years now on the Downtown RPP and, as a Council, have made a commitment that it work. The commitment is quantitative in nature. The TMA is a critical part of achieving those goals. The Council has a quantitative interest in this. I think questions have been raised about the Board, that it does seem to be set up as an independent, self-perpetuating Board that can make decisions, change Bylaws, make all kinds of executive decisions with no active participation by the City other than as one of the employers. That's an issue of how does that Board interact, not just give information to the City but actually interact over quantitative goals with the City. That's issue number two for me is how does that Board set and monitor goals. As I understand, right now the data is coming from surveys. You want to have an annual survey. The survey is given to onsite employees for distribution, selected by the Board. When I think of a survey, you immediately look at good, quality surveys. It's based on things like objectivity, randomness, scientific weighting. That doesn't quite fit. There's a little edginess to the survey.

Ms. Silvani: Let me respond. EMC Research Company actually spent a good deal of time compiling databases from various sources including the City and the Business Registry. They, not the TMA Board, reached out to a broad spectrum of employers. They did a combination of email, phone and mail to get the survey sample. The TMA Board had nothing to do with that. We did not self-select.

Council Member Schmid: The EMC methodology said sampled work sites were contacted to recruit onsite survey coordinators who distributed the surveys to employees at their respective work site. The question is, is that objective, is that random, does it meet the qualifications for a high quality survey. That's an issue that I would raise.

TRANSCRIPT

Ms. Gitelman: Council Member Schmid, if I can interject. This was really one of the first accomplishments of the steering committee setting up the TMA, to do the first statistically valid survey of Downtown employees. It's exactly what the Research Park is going to do this spring. They're following in our footsteps, if you would, on an employee survey of mode share.

Council Member Schmid: Is the second survey funded by the City as well or is it taken over by the Board?

Ms. Gitelman: We're proposing that the City continue to fund this survey, it continue to be something that's done by an independent research firm, statistically valid, to give us the data with which to monitor the effectiveness of the TMA.

Council Member Schmid: That's helpful, but it does have an increased financial contribution by the City. The third question then is goals. Once you get the survey and get data and you set your future goals, are they voluntary or mandatory? I noted that when the City had one experience with TDMs, with 101 Lytton in 2012 when they established goals, they had a clause in there that there would be penalties based upon the in-lieu fees for falling short in the survey. Will there be something like that inside the mandate for the TDM?

Ms. Silvani: The TMA has no authority to mandate penalties. What we will be doing is we will be offering education, information and programs like transit subsidies and special promotions like the \$1 a ride for the carpooling programs. We'll be doing things like that, but we have no authority to penalize someone who either doesn't participate or participates. The only thing we'll be able to do is not give, say, an employee who doesn't agree to our terms of using transit, say, three times a week, we won't give that employee another pass. We don't have any authority. We're not a city. That's a City question, I think.

Council Member Schmid: I see a discrepancy between the Council setting quantitative goals for the RPP on an annual basis depending upon a survey for is the TMA working but having no clout to make it work, to help it work, to provide a stick.

Mr. Mello: I think having the TMA available as a resource to property owners, employers, developers will give us another tool in our toolbox to encourage compliance with TDM plans. A lot of developers and property owners struggle with doing those promotional activities and encouragement activities. The TMA is going to have a dedicated staff and resources to do that. I think we have an opportunity to push some of these large employers

TRANSCRIPT

and developers towards the TMA and give them the tools that they'll need to be compliant with their TDM plans.

Council Member Schmid: The funding of the TMA is voluntary. Is that right?

Mr. Keene: Could I jump in? A lot of really good questions here. I think there's some good follow-up that we're going to have to do with where we've got to at this point. It kind of goes back to Council Member DuBois' question earlier about there's incentives, but what are the sticks here. I think the problem is that a TMA for the most part is just a voluntary association. It's not synonymous with even TDM itself. TDM are a whole set of approaches that can be taken, some voluntary, some can be policy, some can be stick mandated actions. That would typically have to be taken by the Council. If we were the landlord and we had control, we could do that. In a lot of ways, a TMA is like a chamber of commerce that says, "If you want to join our association, here's what it costs." Anybody who does that says, "Why should I join the chamber of commerce? What do you guys do for me? What's the benefit?" In a lot of ways, that's the question people have to ask about the TMA. The truth is right now, one of the reasons the Council put the seed money, as I saw it, is the ownership of the urgency about the City's transportation and parking problem. It's really owned by the City more than it is small businesses or individual businesses. They can certainly say these are challenges as to how we get ourselves to work or whatever, we can't recruit workers or there isn't parking. They don't have the same overriding drive which we have which is to respond on behalf of the community to this real problem. The whole thinking on the TMA was how do you get a voluntary group of folks in there, which probably leads to why we would say you just pay \$50 bucks or something to start—that's not a financial plan that's going to get us anywhere—or to what extent we might say we would default to a few big folks at first who would have more ability to potentially help lead other folks to show here's how we could both buy discounts, here's how we could put together a co-op that could maybe get a Lyft or somebody to come in here and operate. It really is almost 100 percent dependent upon voluntary participation and incentives or buy-downs on prices. That doesn't mean that separately the City can't have a whole bunch of other initiatives on issues we have so that it can push people to participate in the TMA. That's really a separate action from other policies or issues we do as the City.

Mayor Burt: I think we need to make sure that this discussion is not trying to reinvent what a TMA is. We may have separate discussions about what we want to do in achieving our transportation and trip reduction objectives, but we can't try to force one thing to become another.

TRANSCRIPT

Council Member Schmid: I appreciate that, but it does mean that as we look at the other alternatives we have where we have more control over them, we are more likely to achieve quantitative goals that we set.

Mayor Burt: That may or may not be the case. That's separate from this discussion.

Mr. Keene: I wanted to say this is just in response to the Mayor's question earlier. We have five or six other items in the trip reduction and other areas that will be coming to the Council separate from the TMA.

Mayor Burt: Council Member Kniss.

Council Member Kniss: As brief as possible. I certainly concur with some of the comments that have been made. I think the Vice Mayor said yes, there probably should be larger contributions from the big employers, and I would agree with that. I don't want us to again, which we're always tempted to do, throw out the imperfect because we are looking for the perfect. I did not expect perfection tonight. I'm delighted, at least, that you are here. Something is underway; we have a start. I think this is probably going to be at least for the first 2 or 3 years very dependent on us, very dependent on the City. As Jim has put it very well, this is very much something that has been promoted by us, and we think will make a big difference for our residents in the Downtown. That's really what we're looking for, to take the burden off the Downtown residents. One quick question. Let me say one more thing. I think Ms. Jarvis, who talked earlier, said it very well. It's kind of like exercise. It's not fun when you first start it. You don't really want to carpool. You don't really want to take the train. You don't really want that inconvenience of not having your car at your fingertips. I think that's where we're going with this. Can we get you out of your car for any time at all? Would you do it a day a week? Would you do it a couple of days a week? I think it's what Tom spoke of earlier. What's the carrot in this? I think you've just got to get them there first. None of us really likes getting up early in the morning and exercising, and none of us really will like giving up our ...

Council Member Berman: (inaudible)

Council Member Kniss: I like the results. I think we're moving in a direction we haven't gone before. This isn't something we're used to doing. You've heard a number of critiques tonight. I hope you will persist. Thank you so much, Philz Coffee, for being here because you did do a really good presentation. I even like your coffee. I'm glad we're this far. I hope we persist, and I hope as a City we continue at least to the first two or three years to make this a good public-private partnership.

TRANSCRIPT

Ms. Silvani: Thank you. I think you hit on a couple of key points. That is that we're trying to do with the subsidy that we're trying to give a good-enough incentive for a long-enough period of time that a few people will actually change their habits. We are going to learn. As I said, every community is unique. We don't have a magic answer right now, so we're going to try this. In a couple of months, if that doesn't work, we'll modify what the incentive is. We're going to learn as we go, and we'll figure it out.

Council Member Kniss: Thanks. I think it's the changing ...

Ms. Silvani: That's kind of the investment that we're asking from you with a lot of accountability in coming back and saying this worked and this didn't work and this is why we now want to go over here and try this. That's exactly what the philosophy has been.

Council Member Kniss: Thank you. That's it.

Mayor Burt: Council Member Filseth.

Council Member Filseth: I don't really want to go up to (inaudible) in the rain either, but if Carl's going to do it, I'll do it. I concur with Council Member Kniss. I like what you've done so far. It's early. Glad to see you guys are doing some stuff, going to try a couple of things. This is a Study Session and so forth. I just had a couple of questions and observations. If I understand your numbers, 55 percent of Downtown workers drive single occupancy vehicles. That says there's about 10,000 jobs in the Downtown area. Is that about right? 10,000 workers, okay. A thousand odd of those are City employees, so we're about 10 percent of the Downtown. One thing that I thought was kind of cool was in your survey you asked everybody where they parked. If you take these numbers and map them to the 5,500 in terms of public garages versus neighborhoods and so forth, it actually works. You've got sort of the public garages are now basically full. You've got about 2,500 people in public garages. You've got 1,300, 1,400 people in the neighborhoods which is about what you observed with the permit sales. I thought that was kind of cool. I'll come back to that in a second. I just have sort of two observations. One is—Council Member Scharff brought this up earlier—the cost of the transit passes looks to me like you're estimating about \$1,000 a year for a transit pass. Is that ...

Ms. Silvani: (inaudible)

Council Member Filseth: A little under that. That sort of says that if you waved your hands and said, "How much is it going to cost us for each person we get out of a car? Maybe it'll cost us \$900, \$1,000." If you took the transit pass activity as a ballpark and said, "Our goal is to get 1,650 people

TRANSCRIPT

out of their cars," at \$1,000 each or something like that, the budget's going to end up in the neighborhood of a couple of million dollars a year. Is that sort of ballpark? As we think about how to fund TMA, that's kind of the ballpark numbers we ought to be looking at. Is that sort of where you're going?

Ms. Silvani: (inaudible) would come out in 1 year which is a little unrealistic.

Council Member Filseth: Per year, that's (crosstalk). You want to get there in 5 years or 4 years.

Ms. Silvani: I'm using kind of an average of a two-zone Caltrain pass in working out the numbers in terms of how many passes we might be able to give out. There will be some that are single zone; there will be some that are hopefully SamTrans for people who live in East Palo Alto and Redwood City. As the shuttle moves along, I'm hoping that a lot of 94303 Zip Code in particular can be accommodated more with the shuttle, which would be a wonderful thing.

Council Member Filseth: That makes sense.

Ms. Silvani: Also public transit isn't terrific from the other side of the freeway. Even though SamTrans runs a lot, it's not a great schedule. The pricing ranges from \$60 a month to \$140 for a two-zone pass ...

Council Member Filseth: For a two-zone pass, and then you're looking at ...

Ms. Silvani: ... and even higher for a three or four or five-zone pass. If you're targeting 300 or 400 people a year off of the 1,650 over a 4 to 5-year period ...

Council Member Filseth: Four to five years from now, when we've got all 1,650 which basically takes care of all the people parking in the neighborhoods because you've got 1,300, 1,400 there now, that's sort of the ballpark that you're looking at. If you multiply those out, then the net expense—of course, you're going to have some people that aren't taking transit passes that are just taking cross-town shuttles. They'll be less expensive. Riding bikes will be less expensive and so forth. That's kind of the ballpark of what it looks like we're going to have to try to figure out how to finance. It's \$250,000 a year, but it's not \$10 million a year either. It's sort of like that. The other issue is like how much of it is paid directly by the TMA versus is paid by the employers, but the TMA aggregates. One of the things is sort of how big of a box are we talking about. The other comment I had just thinking about this and looking at it is if it costs ballpark \$1,000 or something like per vehicle, we sell parking permits now for \$466 and in

TRANSCRIPT

some cases \$100. I would worry a little bit about the incentive for people that say, "If I can do this, it's going to cost me \$1,000. If I do that, it's going to cost me \$466." What's the incentive?

Ms. Silvani: That's why we're giving the whole pass to start with.

Council Member Filseth: I understand, but it's not totally sustainable because somebody's going to have to pay for it eventually. Eventually it's going to be the employers that have to pay for it.

Ms. Silvani: There will be an agreement that it comes down.

Council Member Filseth: As we roll back the permits, because we're starting at 2,000 in the neighborhoods, it's going to take us four years or something to start digging into the place where parking spaces aren't available. That would be my two comments. One is let's start thinking about how much it's really going to cost and what the funding model is going to be. I know you're working on that. The second is let's make sure we understand what the incentive for employers and employees is to actually do this. As somebody mentioned, the carrot and stick. If there's cheap parking in the neighborhoods, then what's the incentive to do something more expensive?

Ms. Silvani: Let me just throw in one more variable. One of the things that we would like, and I think we have support with other TMAs in other cities up and down the Peninsula, is to start to work on kind of a volume discount program for smaller employers who don't qualify for the current Caltrain program. That would provide a tremendous incentive. I think we would find—again, I'm speculating—if we could offer the small employer a \$15 a month, even if they chargeback their employees for that, we could move a lot of passes. The TMA, one of our key advocacy roles is going to be to try to put together a coalition to start working on a different fare arrangement with Caltrain. That's going to take a couple of years because that's a big policy shift.

Council Member Filseth: Your free passes to start with will sort of help you prove that model too.

Ms. Silvani: Exactly.

Council Member Filseth: If it turns out the City needs to raise the price of parking permits or something like that, make sure to come back and tell us. Thanks a lot.

Ms. Gitelman: Council Member Filseth, if I can just interject on that point. I think you raise a really good point. We are undertaking a study of paid

TRANSCRIPT

parking. We're going to have to look at the cost of parking as it relates to some of these goals that the Council has set. I don't think we've said this enough; I really think that the Council has shown great leadership on this whole subject. We wouldn't be here today; we wouldn't have formed an independent TMA but for the Council's Colleagues Memo and the direction to us in early 2014 to get moving on this thing and get it done. Thank you to all of you.

Council Member Filseth: Thanks, Director. Nice to see this moving forward.

Mayor Burt: I just wanted to touch on a few things. First, it sounds like we really don't have a model of a cost per trip reduction that would get us to the objective of the 30 percent single occupancy vehicle reduction. That's really what we're aiming for. At the same time, I want to commend the Board and the folks who have been involved in getting this off the ground. It shows a commitment that we have. It's showing the foundation for what we need to do to get to where we want to go. My sense is that a couple of things have gone on. One is that there has been a certain premise on the scale, the pace and the funding that were made by the consultants and the steering committee and others. Actually, since the Council last saw this over a year and a half ago, there's been no feedback loop at all. We haven't heard anything about it. This is, frankly, one of the reasons it's here tonight; some of us have been saying we just haven't heard anything about this very important program. What's coming back is an initiative based upon certain premises and a good program intention based upon those assumptions that it's going to be limited in its funding, it'll be limited in its scope. I've heard you speak about potentially expanding the geographic area. Those responses were not about whether the City would decide to do that, but whether the TMA would. I consider these to be important policy decisions that would be principally by the City. We empowered and created the TMA; we're funding it principally. If we're going to look at additional areas, those are going to be City decisions as much as they will be the nonprofit. I think it's very important to tighten up that whole communication and feedback loop. I also think it's very important that this be a more open process. I understand some of the pros and cons of each of these things, but I think it does need to be more open. Ultimately, I want to understand the cost per trip avoided and compare that to alternatives, not only the things we can't readily quantify of the quality of life impact of both spillover parking in neighborhoods and traffic congestion, but actually those things that we can. We have a prospective one or even, it was thought of, two new parking structures Downtown that would be funded by the City out of the General Fund dollars or infrastructure dollars that we've set aside. Those are very expensive, and I want to see what are the cost comparisons of avoiding the demand versus adding parking supply and structures. Now,

TRANSCRIPT

that's just on the parking side of the equation. In addition to eliminating the demand for the parking, we'd be reducing the impact on neighborhoods and all the trip generation, not to mention how this adds up in our whole Sustainability and Climate Action Plan where we now see, because we're carbon neutral electricity, 60 percent of our greenhouse gas emissions are from transportation. None of that's before us. A year and a half it's been percolating; it's been making some progress. The Council had set a goal of this 30 percent reduction. Two years after we set that, we really don't have anything that's yet moving forward. We're on the edge of a pilot. I think we have wishes to see this become more successful, which is probably going to take an entirely different approach to the funding. We can discuss that in our Agenda Item Number 11. I do also want to acknowledge that the role of the Residential Permit Parking Program is actually very empowering to Transportation Demand Management and the objectives of the TMA. I think we all want to recognize that without that we'd be in trouble. As long as people can just park for free elsewhere, then we're going to have real trouble getting them out of their cars. There was a lot of discussion about transit passes that all seemed to center around Caltrain. You may have heard earlier that the Research Park has engaged with the County on the Go Passes. I had brought this up over 2 years ago and repeatedly brought up the question of why can't we negotiate with VTA on getting the low rate, a group rate, on Go Passes—excuse me, Eco Passes, and nothing had happened. From discussions with the Stanford Research Park, they literally accomplished this in a couple of hours. I still don't see it as part of our Downtown TMA. I've been bringing it up to our Staff for several years. Yes?

Ms. Silvani: We will be offering the monthly VTA pass as part of the transit subsidy program. It is one of ...

Mayor Burt: That's \$18 a year versus \$75 a month.

Ms. Silvani: No, no, no. It's \$75 a month because we can't afford to buy a bulk pass until we quantify how many we should buy.

Mayor Burt: That's based upon your assumption of the scale of the program. That's different from what I think is the Council's thinking on this. We have what, about 10,000 employees Downtown? Is that the number? When we look at the heat map that we got from the Research Park, the hottest zones were from Palo Alto south to Sunnyvale along the El Camino corridor, served every few minutes by VTA. That should be a much higher priority in my mind than what we've had here. I found the survey very valuable and with a number of flaws that we need to get corrected, but that's okay. That happens in first surveys. I'll just cite a few things. One, there's no mode for buses. We have trains, we have walking, we have

TRANSCRIPT

biking, we have single occupancy vehicles, we have carpool. There's nothing about buses despite the fact that we have 900 bus stops per day at our Intermodal Transit Center. It's a phenomenal number. This was brought to us by Staff 3 years ago. It's not part of the survey; it actually hasn't been part of the discussion really. We heard from the Stanford Research Park the bus program is central to what they're looking at. I also saw that this is an anomaly, but it shows that out of those who commute from 50 miles, 5 percent bike or walk. That just didn't seem quite right, and it was far less at 20 miles. There are some glitches there. There's also an interesting set of questions. 47 percent would use transit if it was less expensive, but only 5 percent listed cost as a reason for not taking it. Somehow there's some information that needs to be understood better. 60 percent of the government workers, meaning our employees primarily, got the Post Office and a few others, would like to change modes. That speaks to us and our responsibility as a local city government to embrace that and to our unions to really work with that. Their union members are saying they want it, and yet we have difficulty negotiating some of these terms with our unions. I also saw that 32 percent I think it was the local folks would bike with better bike storage. That's simple. This is not a very expensive means to get there. Most businesses don't know that we already have a program where we will pay for bike racks on private property. It's a hidden program; we don't promote it, and most businesses don't know about it. These are all a number of different elements to this that I think we are going to have some additional discussions at our later item about how do we really make this kind of program that you—I think if we were to say to you, "If you had a budget that was \$1.5 million a year, could you accomplish this goal within 2 years?" You would probably come back and say, "Nobody ever offered that to us. Yes, we'd be very enthusiastic about what that could accomplish." We haven't had that conversation because in part we haven't had the feedback loop. I think that we'll see there's a lot of interest by the Council in figuring out how to make this even more successful in the Downtown area and comparably successful throughout the City. Those are my comments. I think you've heard tonight that the Council really wants to see this be successful. On the one hand, there's frustration that it's taking off somewhat slowly. On the other hand, you're doing the best you can within what you understood to be the boundaries and the limits and the opportunities of how you could proceed. You've laid that foundation for us to think, with the Research Park and what we've heard tonight, about what would be possible if we could be able to have a really comprehensive program. That's been enthusiastically embraced by the Council. We want to get there, and we have to figure out how to help get us there. Thank you all very much. We look forward to your ongoing success.

Mr. Keene: Thank you for that. Thank you.

TRANSCRIPT

Mr. George: Thank you very much, Mr. Mayor.

Mayor Burt: I'm sorry. Now, that's our comments and questions. We have a number of members of the public who now will speak. For those who don't know, in our Study Sessions as our procedures have it, they're principally for Council exploration. We hear from members of the public at the tail end. We've run over quite a lot. We have, I think, seven or eight speaker cards. I'd like to ask members of the public to use 2 minutes per comment period. Our first speaker is Robert Sadew, to be followed by Nisha Gabbi.

Mr. Keene: As the first speaker comes up, Mr. Mayor, just a clarification. We actually have about 500 City employees in the Downtown out of our 1,000. We've got the Municipal Services Center and Lucie Stern. I know there was a lot of math that was being done very quickly.

Mayor Burt: Thank you. Welcome.

Robert Sadew, Scoop Cofounder and CEO: Thank you for having me. I'll be short knowing that we're over. A quick introduction. My name's Rob Sadew; I'm the CEO and cofounder of Scoop which you've heard a little bit about both in the program for the Research Park and also the program for Downtown. First of all, I wanted to congratulate everybody. While this stuff is very challenging, moving forward with a TMA and the programs that have been outlined is a huge step forward. It takes time to get right, but I think it's fantastic. A quick background on Scoop just so you understand a little bit more about what you heard. Scoop is a fully automated carpooling solution based on an idea that carpooling historically has always been the best idea that no one can ever get people to really do in mass. There's a couple of reasons for that. One is that it's not so easy to find people that come from where you come from, go to where you go at the times that you want. The other half of it is most people don't know what time they want to go home when they get to work in the morning. It changes day to day; it changes during the day. What we do is distill that so you can take your morning trip separate from your evening trip. You book each trip one-way at a time. You might go with one person, come home with somebody else. We've got lots of users that do this just in the morning, not the evening; just in the evening, not the morning; one day a week; five days a week; drive one day, ride the next. The goal is to offer people flexibility but still make it possible for them to carpool. It's something that's been very successful for us in Pleasanton, in San Jose with employers like Sysco and Brocade and Cadence and a number of others, in San Francisco. We're excited to bring it here to Palo Alto. A couple of things I'd like to say. Thank you to the TMA for allowing us to present last summer and get to know everybody. We're really excited to partner with the TMA, to partner with the Stanford Research

TRANSCRIPT

Park, to partner with the Chamber of Commerce and others. We've found that it really does take a village to solve these problems. Bringing this solution together across the entire area, we think, will make a big impact. We know that not everyone will choose to carpool. It is one piece in a mosaic and what it means to actually get people back and forth to work sustainably. We're excited to do our part and help with some of the congestion issues around Palo Alto. Thank you.

Mayor Burt: Thank you. Our next speaker is Nisha Gabbi, to be followed by Russ Cohen.

Nisha Gabbi: Good evening. My name is Nisha Gabbi, and I'm here representing Susan Nightingale. She's the owner of Watercourse Way Spa in Palo Alto. Susan was on both the RPP and steering committee for the TMA. As an employer Downtown, Watercourse Way's ability to recruit and train talented employees depends more and more on the employees' ability to get to work efficiently. Susan is excited that the TMA is launching some pilots with initiatives that will make these new ways of getting to work more attractive for some of her employees to try. Susan encourages the TMA to stay flexible and listen to the input of employees as they try out new ways of getting to work. Watercourse Way wants to be a collaborative partner with the TMA, refining programs as needed so they will really work and make a difference. Watercourse Way is one of many employers who can see the importance of careful, thorough consideration and permanent funding streams for the TMA so that it can be effective and have the stability necessary to provide solid programs and subsidies. Thank you for your time.

Mayor Burt: Thank you. Russ Cohen to be followed by Susan Graf.

Russ Cohen: Thank you, Mr. Mayor, members of the Council. Russ Cohen, Executive Director of the Downtown Association. Many of my comments tonight are probably more appropriate for Item 13, but I don't think I can get an emergency ride home at maybe 11:00 or 12:00 tonight. I'm going to make my comments now. Let me try to reframe the way you look at TMA and what perhaps your role in the TMA is. I'm going to use some language that's very familiar to those of us who work here in the Silicon Valley. The TMA until recently was not dark; it was in stealth mode. They were deciding on their mission, and they were organizing themselves with the help of the steering committee and developing a roadmap with the help of the steering committee. Today, they are in startup mode. They are securing investors. They're looking for seed money, and they're launching programs. You play the role of the VC, the venture capitalist. In fact, you're the angel investor. You understand that by being an investor, you recognize the potential return

TRANSCRIPT

on investment. You also recognize that your investment will provide the TMA with the ability to demonstrate their proof of concept. You recognize that with the launch of programs, other investors will then follow. You recognize that the return on investment is the reduction in single vehicle occupancy trips, thus allowing perhaps more parking for consumers, thus creating more sales tax revenue; therefore, better City services for your residents. With that all said, I strongly encourage you and the business community that I represent strongly encourages you to support fully the TMA tonight without any hesitation whatsoever. Thank you.

Mayor Burt: Thank you. Susan Graf to be followed by Jon Kiya.

Susan Graf: Good evening, Mr. Mayor, City Council. Susan Graf. I'm a small retailer. I always like to give myself a plug. I sell ladies' and men's wear on the corner of Hamilton and High. Whether big or small, we all Downtown face the same frustration in parking and traffic. I am thrilled to know that my fellow business community is stepping up to support the TMA. Shout out of thanks to Google, Palantir and what Stanford's doing to not only help fund the TMA, but adapting their own internal solutions. I'm extra impressed about the volunteer Board of the TMA. My world. I have part-time employees. They have to close the store when they're working alone to move their car. You do the math. Positive note. I'm thankful to the City Council for being so watchful in gathering residents and the business community to be part of this very important conversation. You address funding. Here's my check. I'd like to be part of this. I'd like to end with for me this TMA is the light at the end of the tunnel. Thank you.

Mayor Burt: Thank you. Jon Kiya to be followed by Adina Levin.

Jon Kiya: Hi, Jon Kiya, longtime resident in Palo Alto, speaking on behalf of the Chamber of Commerce and its members. The Chamber's very excited that after 2 years of development the TMA launched in January of this year. The Chamber fully supports TMA and its holistic and data-driven approach to finding and helping implement traffic and parking solutions for Downtown. The Chamber would even provide the TMA with some free space at the Chamber's office to show our support. Additionally, two members of the Chamber's Board are volunteers on the TMA's Board. As we've seen and heard, the business community has been very involved in getting the TMA launched and will continue to be very involved. We think that that groundswell from the business community is very important in helping to find solutions and to change behaviors. We have to get our workers from home to here, and we need to reduce trips by single occupancy vehicles, particularly in Downtown, Cal. Ave. and the Research Park. As we've heard tonight, many of our largest employers have active TDM programs that

TRANSCRIPT

they've been developing for several years. We feel that the TMA will do a strong effort in leveraging the knowledge of those other TDMs such as what Stanford's doing up in SRP. It's the first steps in the continuum of many actions that will have to happen to help alleviate the stress on our current infrastructure. The TMA is modeling, leveraging and working with other TDM programs to find a better way. The challenges we've heard from Mayor Burt and Council Member Holman becomes larger when looking at service workers and small retail employees. Effective solutions are harder to find, but TMA is focusing their efforts. It's in their headlights. We feel confident that they will come up with solutions for that segment. TMA is an ongoing and consistent effort, and the Chamber believes that is what is needed at this juncture. Thank you.

Mayor Burt: Thank you. Adina Levin to be followed by Richard Brand.

Adina Levin: Good evening members. Adina Levin with Friends of Caltrain. Thanks to the City Council for the leadership in getting these programs started. A few comments based on the discussion so far. First of all, there was a lot of discussion about goals. Where Transportation Demand Management is successful, the goals are coming from the jurisdiction, the goals from the City. Stanford can run programs; the TMA can run programs, but the policy goals hopefully will be up to the City and driven by the City policy. It was really interesting with the compare/contrast between Stanford Research Park and the Downtown, as Mayor Burt mentioned. The Stanford Research Park is starting with a higher driving rate. They're hampered by free parking, but they have uniformity with a set of larger employers at the size that in Mountain View get \$50,000-\$75,000 membership contributions. By contrast, the Downtown has a much greater diversity of employers including many smaller employees who have never had these programs before. There's an asset; that's paid parking. As Council Member Filseth noted, the paid parking is underpriced compared to the \$300 per year (inaudible) to replace it. That's an opportunity which I'll get to in the funding agenda item later. There are opportunities for collaboration including bringing the VTA Express buses which were designed to come to the Research Park, bringing them Downtown; working together with this and other TMAs on a Caltrain Go Pass with the TMA as a bulk purchaser; potentially working on a Lyft first-mile solution; and other potential collaborations. Lastly, in terms of wanting the TMA to get up and running fast, they are longer term funding sources suitable for a Downtown that I'll talk about in the last agenda item. It would help to have budget scenarios start small, start big, how much can be achieved by starting fast. Thank you.

TRANSCRIPT

Mayor Burt: Thank you. Our next speaker is Richard Brand, to be followed by Herb Borock.

Richard Brand: Good evening, Council Members. Richard Brand, former RPP stakeholder now that that's been dissolved. I appreciate that because the idea is that the stick really is coming from the RPP program, like it or not. I think that's important. We all want the TMA to survive. I appreciate your coming in. It was fascinating. Thank you for holding this session, too, because it was very noteworthy what Stanford has done. Of course, they have deep pockets and they have full-time people. I don't think my friend Rob here—this is not his full-time job. With that said, I think a couple of things in the Staff Report—I'm speaking to Staff here. The EMC survey while good is only for an area that does not include Whole Foods. The numbers that you're using to justify certain things, be careful. I know it's a first survey and you have to crawl before you can walk, but it was just the area bounded by Everett and Forest. There's a lot of people working down South of Forest Avenue (SOFA) area that drive in cars and park in front of my house; although, not as bad as it used to be. Just a word that we need next time and actually you need to go for a budget to get a bigger survey size. I'd say thank you for the work. Do more marketing and outreach to the citizens of the City. Thank you.

Mayor Burt: Thank you. Herb Borock to be followed by our final speaker, Phyllis Cassel.

Herb Borock: Mayor Burt and Council Members. The City essentially created and empowered the TMA. The committee is asking for funding from the City. On either of those justifications, this organization is required to abide by the open meeting requirements of the Ralph M. Brown Act. The City can certainly condition its financial support to require that, if I am wrong about the law requiring it. I do believe that the law does require the open meeting, and that includes restricting it to regular meetings and not meetings that are just on 24-hours notice and meetings and places that are easy to attend and with public noticing in the same places that meetings of this body are noticed. In regards to the funding, there's a budget on Page 7, packet Page 13, of \$182,000 including \$54,000 for a pilot program. On the following page, it's recommending \$100,000 from the City including its \$10,000 membership and \$90,000 for overhead plus up to another \$100,000 for pilot programs which would include that \$54,000. To me, that's at least \$154,000 out of \$182,000 that the City is being asked for at the beginning. Finally, different people have different reasons why they think this kind of program should go on. Council Member Filseth mentioned it could get the cars out of the neighborhoods. Russ Cohen mentioned it would provide parking spaces for customers for retail establishments.

TRANSCRIPT

There's another one. Developers and large businesses, whether it's Stanford Research Park, California Avenue or Downtown, would like to have more development and more employees. Thank you.

Mayor Burt: Thank you. Our final speaker is Phyllis Cassel. Welcome.

Phyllis Cassel, League of Women Voters: Thank you, Mayor Burt and Council Members. I had a choice; I could speak now or later. I'm going to speak now, if you don't mind. I'm representing the League of Women Voters, speaking for Ellen Forbes. The League of Women Voters of Palo Alto supports the concept of the Palo Alto Transportation Management Association. We are glad that it has come to existence. We hope it will be one more step towards a comprehensive management of our transportation systems in Palo Alto. The League wants to see effective and efficient transportation options that entice us out of our single occupancy vehicles. We want choices that promote optimal flow of traffic, minimize the use of the private automobile, and encourage the use of alternative transportation modes. The League believes that the building of an efficient transportation system recognizes that transportation solutions are interconnected and that no one, two or three solutions will resolve all the transportation issues. Each potential solution builds a platform for the next step in an integrated, efficient transportation system. Such a system must meet the needs of all of its residents and employees and businesses. Our transportation modes should be linked to a convenient and affordable regional transit network with attention to reasonable fares, reduction of travel times, extensive hours of service and good feeder service. I'll go to the last paragraph. Move forward. Effective transportation is critical to our quality of life, but it is also critical that we use transportation modes that reduce our greenhouse gas emissions. The two are linked. Thank you.

Mayor Burt: Thank you. That concludes this item. Thank you very much, and thank you for all your efforts that you're having on this.

Agenda Changes, Additions and Deletions

Mayor Burt: Our next item is Agenda Changes, Additions and Deletions. We have Item Number 14 that the City Staff has rescheduled for April 14th.

City Manager Comments

Mayor Burt: Our next item is City Manager Comments.

James Keene, City Manager: I'm going to skip over a lot of these just given the hour that we have. Is Monique still here? Since it's so late and you've got a lot of things, just quick reminders. This week there is a second open

TRANSCRIPT

house meeting for the community on the Embarcadero/El Camino Real improvements. It'll be held Tuesday, March 15th, tomorrow, from 6:00 to 8:00 P.M. in the Aspen Room at the Palo Alto School District headquarters at 25 Churchill Road, to provide feedback on the street improvement ideas being considered for Embarcadero Road. There will be some discussion about the timing changes of the signal at that area. Any time between 6:00 and 8:00. Just a reminder again that this Saturday, March 19th, we're holding the second annual Cubberley Day on the campus with activities at Cubberley from 9:00 A.M. to 1:00, which will include demonstrations by Cubberley tenants, volunteer opportunities, food, music and kids activities as well as an activity for participants to write their own vision for the Cubberley site. This is hosted in partnership between the City, Canopy, Kiwanis and the Greenmeadow Community Association. I will hold over the other comments including the video we were going to show until a meeting when we do that earlier in the evening for you. Thanks.

Mayor Burt: Thank you.

Oral Communications

Mayor Burt: Our next item is Oral Communications. We have one speaker, Sea Reddy.

Sea Reddy: Good evening, Mayor and the City Council and citizens of Palo Alto. I want to bring up a subject that's a little sensitive, but respectfully I would like you to think about it. On March 3rd, Marc Berman has filed his nomination for State Assembly. I have filed, and many others have filed. Here's what I'd like to recommend. I would like Lydia Kou, who came as the last person on the list of candidates that came in a very close election. I would like the City of Palo Alto citizens to consider Lydia Kou to replace eventually Marc Berman. It's up to Marc how he transitions this, but I think she'd be a great addition. We only have two ladies, and I think I'd like three ladies here, better than two. We have 50 percent representation. Thank you. That's all I want to say.

Mayor Burt: Thank you.

Minutes Approval

5. Approval of Action Minutes for the February 22, 23, and 29, 2016 Council Meetings.

Mayor Burt: Our next item is approval of Minutes from February 22nd, 23rd and 29th of 2016. Do we have a Motion to approve?

TRANSCRIPT

Council Member Berman: So moved.

Vice Mayor Scharff: Second.

Mayor Burt: Motion by Council Member Berman, seconded by Vice Mayor Scharff.

MOTION: Council Member Berman moved, seconded by Vice Mayor Scharff to approve the Action Minutes for the February 22, 23, and 29, 2016 Council Meetings.

Mayor Burt: Please vote on the board. That is with Council Members Wolbach and Holman out of the room and Council Member Kniss abstaining.

MOTION PASSED: 6-0-1 Kniss abstaining, Holman, Wolbach not participating

Consent Calendar

Mayor Burt: Next we move on to the Consent Calendar. Do we have a Motion—Council Member Schmid?

Council Member Schmid: I would like to pull Number 12, recommendation to accept the audit of parking funds.

James Keene, City Manager: Did you readjust it from three back to two?

Male: It's three.

Mayor Burt: I don't see a third member speaking to pull that item.

MOTION: Council Member Schmid moved, seconded by Council Member Filseth, third by Council Member XX to pull Agenda Item Number 12 - Policy and Services Committee Recommendation to Accept the Audit ...

MOTION FAILED DUE TO THE LACK OF A THIRD

Mayor Burt: Do we have a Motion to approve the Consent Calendar?

Vice Mayor Scharff: I'll move to approve.

Council Member Berman: Second.

MOTION: Vice Mayor Scharff moved, seconded by Council Member Berman to approve Agenda Item Numbers 6-12.

TRANSCRIPT

Council Member Schmid registered a no vote on Agenda Item Number 12 - Policy and Services Committee Recommendation to Accept the Audit ...

6. Approval of Master Agreement to Sell Low Carbon Fuel Standards Credits and Utilize the Revenue for the Benefit of Current or Future Electric Vehicle Customers.
7. Approval of Utilities Enterprise Fund Contract With Casey Construction, Inc. in the Amount of \$2,967,000 for Sewer Lateral Replacement and Other On-Call Sewer Services for Three Years, Under Capital Improvement Program Projects WC-99013 (Sewer Lateral Rehabilitation), WC-80020 (Wastewater System Customer Connections), and WC-15002 (Wastewater System Improvements).
8. Approval of a Construction Contract With Waterproofing Associates Inc. in the Amount Not-to-Exceed \$309,980 to Provide Construction Services to Replace the Existing Roof at Fire Station Number 2 (PF-00006).
9. Approval for Renewal of the Agreement Between the City of Palo Alto and the Palo Alto Art Center Foundation for Mutual Cooperation and Support to Facilitate the Foundation's Financial and Administrative Support of the Art Center.
10. Authorize the City Attorney to Amend the Legal Services Agreement With Elisa Larson to Extend the Term of the Agreement to a Total Term of Approximately Three Years and Two Months, Formalize Temporary Changes to the Scope of Work and Applicable Rates and Increase the Not-to-Exceed Amount to a Total of \$375,000.
11. Approval for the Consolidation of the Unscheduled Vacancy on the Utilities Advisory Commission With the Spring 2016 Board and Commission Recruitment.
12. Policy and Services Committee Recommendation to Accept the Audit of Parking Funds.

Mayor Burt: Please vote on the board.

Council Member Schmid: (inaudible)

Mayor Burt: You'll have an opportunity to speak on that vote. That passes unanimously with Council Members Wolbach and Holman absent.

MOTION FOR AGENDA ITEM NUMBERS 6-11 PASSED: 7-0 Holman, Wolbach not participating

TRANSCRIPT

MOTION FOR AGENDA ITEM NUMBER 12 PASSED: 6-1 Schmid no, Holman, Wolbach not participating

Mayor Burt: Council Member Schmid, you can speak to your no vote on Number 12.

Council Member Schmid: I just felt that we had an audit of parking funds, and the Parking Assessment District came up a number of times as a player in that. Yet, there was no look at that as a part of the parking fund, and I thought it should have been covered.

Mayor Burt: Thank you.

Action Items

13. Local Funding Strategies for Transportation Demand Management and Other Transportation Programs.

Mayor Burt: We will now move on to Item Number 13, which is a Staff recommendation that the City Council discuss potential alternative funding strategies for Transportation Demand Management and other local transportation programs and refer the matter to the Policy and Services Committee or an ad hoc committee for discussion and development of a recommended approach. I should note that if we are interested in accelerating this and doing it to an ad hoc committee, that's a committee that the Mayor would appoint. Mr. City Manager, did you have any comments?

James Keene, City Manager: Thank you, Mr. Mayor. I think just a very short Staff Report. I think the report itself is pretty straightforward and clear. We placed this on the agenda in anticipation if there were, following the Study Session, the need for some discussions about how to move forward. I would just put my own commentary after hearing the Study Session discussions that it's very clear that we have ambitions for a successful TMA and other TDM-related measures that we would want to pursue as part of enabling effectiveness of a TMA. Two, time is important to the City in being able to move forward. Three, we're clearly in very much a startup mode with not a really good, strong funding stream. The discussion about how to look at funding what it is we want to do strikes me as being extremely timely, even after the Study Session we just had. There are a lot of gaps that clearly came up about what it is we want to achieve and how we can achieve it, that needs some discussion on what would happen on the funding side of that challenge. That's it.

TRANSCRIPT

Mayor Burt: If I might take the liberty to try and help frame this discussion a bit. I think we heard in the last item a great deal of interest by the Council on trying to figure out how we could really achieve success in our congestion relief and local transportation initiatives. If we were to consider putting something on the ballot, if it was to be a measure that would be a general tax with perhaps an advisory measure, it would have to be either on this November ballot or two years from now. If it was a specific tax requiring two-thirds—a general tax being a simple majority. If it was a specific purpose tax, it could be on any of our subsequent ballots. However, on this fall ballot as we're all aware, we've been in extensive discussions about the likelihood of a VTA sales tax measure that would have very significant benefits to both the County and to many of our interests locally. We would need to find out as quickly as we can—I would think through polling—as to whether both of these measures, even if they're different in nature, could succeed on the same ballot. I would encourage us to think along those lines about how we move quickly toward obtaining information that would allow us to make more informed decisions. We may have a variety of inclinations. I certainly have mine, and I'm sure other Colleagues have theirs. I suspect our next step is going to need to be to try and find out information that will let us move from our own preconceptions to more informed decisions. We only have one speaker. I'd be glad to just go ahead and let the speaker go forward, and then we can return for our discussion. Our only speaker is Herb Borock. Welcome.

Herb Borock: Thank you, Mayor Burt. I believe if there's going to be a revenue measure on the ballot, it should be a general tax rather than a special tax. It requires only a majority vote. There have been many impacts by employers and also the nature of the portion of taxes being paid. For example, property tax since Prop. 13 was passed in 1978, the ratio of business versus residence has changed the opposite in terms of who has been paying how much. In terms of when it should be on the ballot, I would prefer earlier rather than later. The concern about it being with a countywide tax on the same ballot is look at the opposite. If voters approve such a county tax and we have a tax at a later time, they may be reluctant to have a second tax. I think this election would be better. The way to charge a tax, I think, would be just simply by number of employees. The way to find out how many employees there are and how it should be charged, employers submit to taxing authorities either quarterly or month, depending upon the size of the employer, how many employees they have when they're submitting their withholding taxes. That would be a check on what the accurate number is for the number of employees. In regard to how many employees there are, one of the considerations was just the larger employees. As I pointed out before, the Comprehensive Annual Financial Report supplemental information apparently includes all of Stanford's

TRANSCRIPT

employees on the Stanford campus. There are some Stanford employee functions that used to be on the campus and now are in Palo Alto, but not all 11,300 that are indicated in the Comprehensive Annual Financial Report. In regard to what was called value capture, what that essentially means is that providing something for employers where generally they would expect to be using the benefits of that expenditure to again increase the employment and increase further over-development in Palo Alto. The way they would sell it to the public is by saying the City gets a little piece of that; therefore, you're really voting for the mitigations. Really what you'd be voting for is for subsidizing the employers. I would look for a general tax based on number of employees and preferably on this November's election. Thank you.

Mayor Burt: Thank you. It looks like we have a couple more speakers. If anyone else wishes to speak, they would need to fill out a card at this time. Our next speaker is Jessica Lyman, to be followed by Adina Levin.

Jessica Lynam: Mayor and members of the Council, Jessica Lynam with the California Restaurant Association on behalf of the Palo Alto members. This evening I'm here to kind of outline the straw that may break the camel's back in the restaurant community here in Palo Alto and the fact that not only do they support the demand for bringing individuals in through the transportation networks, but this Council has passed several policies that have hurt the restaurant community. In this past year, it's shown that, like I said, if the Council does go forward with a business tax, based on my information on doing averages of business tax in other cities in the surrounding area, what Palo Alto already has including the Downtown Business Improvement District, it's much higher. The business tax that businesses are paying here is much higher than other cities in the surrounding area, not including all the other fees that restaurants pay for the health inspections to the County, the fire inspections and the State and Federal taxes. I'd just like to keep in mind that we would like to discuss policies going forward that could help grow the restaurant community within this City and to allow restaurants to continue to have new patrons come in. We need to find the balance, and we'd like to work together with the Council going forward. Thank you.

Mayor Burt: I just have a follow-up question. Can you clarify what business tax you're referring to existing in Palo Alto?

Ms. Lynam: Currently, my research says that there's a \$51 registration fee, so the license and registration fee is \$51 for most businesses. I pulled off the City's website the Business Improvement District. That does say that restaurants pay \$340 if they have over 11 employees which all my members

TRANSCRIPT

do within the Downtown area. That's not considered a tax, but it is a fee that businesses do pay. Thank you.

Mayor Burt: Thank you. Adina Levin to be followed by Carl Guardino.

Adina Levin: Good evening, Council Members and Staff. Adina Levin, Friends of Caltrain. I wanted to build on the previous item in terms of methods of funding for Transportation Management Associations and then other transportation programs. In terms of Transportation Management Associations, different TMAs use different mixes of funding based on the characteristics of the area. There are basically four different types of funding that are typically used. One is in areas that have a lot of green field or brown field development, like Bay Meadows. Developer fees can pay a lot of the amount. However, in Downtown Palo Alto where existing is much greater than new, developer fees are not going to be a huge proportion. Number two is membership fees. In areas like North Bayshore in Mountain View where you have Google and LinkedIn and Microsoft and Intuit, they can carry the vast majority of their budget off of membership fees of \$50,000 to \$75,000 higher membership fees. In Downtown where you have smaller companies, membership fees will contribute some but not the full (inaudible). Next is parking. If you ask Stanford about Stanford's transportation program for the University, they say that parking revenue actually is the financial engine that drives their program. They charge for parking; they use the money from parking to fund the Marguerites and the carpool programs. They've managed to save, they say, \$100 million in parking structures they didn't need to build. What Council Member Filseth said in terms of the price is a subsidy for parking, we're encouraging people to drive, and then it costs even more to reduce the trip. If Palo Alto tried up the cost of parking even to the cost of a Caltrain parking which is less than the cost of replacement, that would bring in maybe \$3 million a year to run the programs. Fourth is taxes. We were talking before about how much can you get with voluntary membership fees. Voluntary is going to be really hard with the diversity in the Downtown. Taxes are also likely to be a good fit if there's a thought process about what are the needs. Taxes can also cover other transportation programs including things like longer-distance shuttles, maybe getting into things like local matches on grade separations or local matches on transit center improvements. When you're talking about physical infrastructure improvements like the grade separations and transit center, that's also where you have something that benefits property owners. A Mello-Roos could come into play or other value capture, and that can bring in a fair amount of money but only relating to significant development that the City may or may not choose to do. Thank you.

Mayor Burt: Thank you. Our final speaker is Carl Guardino.

TRANSCRIPT

Carl Guardino, Silicon Valley Leadership Group: Good morning—I'm three hours early. I don't think that should come out of my time. That shows tiredness. Good evening, Mayor and members of the Council. Again for the record, my name's Carl Guardino with the Silicon Valley Leadership Group. I want to commend the Mayor and the Council for the thoughtfulness of tonight's Study Session. That was incredibly helpful and time well spent. I want to mention quickly process, product and particular alternatives. First, should you move forward, I would hope that, as Palo Alto is so thoughtful in doing, there would be a thorough stakeholder process of potential funding and types as well as amounts in terms of potential solutions or the use of funds and the participants of potentially impacted parties, whether they be small, medium or large. Second is product. Mayor, I want to thank you again for your thoughtful leadership both in the North County, countywide as well as here in Palo Alto specifically. It's been a pleasure to be working with you. In terms of a potential Valley Transportation Authority (VTA) measure, from a Silicon Valley Leadership Group perspective, as you know we have called for a very significant amount, about \$1 of every \$5 for street maintenance and pothole repair. We've also called, at the recommendation of your professional Staff and that of other cities, that we reward good behavior, that those funds would be flexible for cities with what is good Pavement Condition Index which is 70 or above. You're 78. You are tied for the best in all of the 15 cities and towns in Santa Clara County. In today's dollars, that would be nearly \$40 million coming to Palo Alto over the life of the measure. As you look at sources of funds, if we're successful together in November, you may have a flexible pot of funds in which to move forward for what you're talking about this evening. The last thing that the Mayor and I have laughed about, but it's not funny because we both know how serious this is, that's the Mayor's comments about moving so thoughtfully together is that if we're not successful in November, we're going to be figuring out how to divide zero 15 ways. As you move forward locally as well as sub-regionally, we want to volunteer to help in any way that we can. Again, we thank you for your thoughtfulness.

Mayor Burt: Thank you. Let's return for discussion. We're at 10:15, so we should try to budget our comments as best we can, and really try to focus on not so much—maybe we can offer concepts that would be informative to whatever committee we go with on what sorts of questions we might want to ask if we're going to forward with a polling, whether we want to go forward with greater consideration of this even if we are undetermined whether it's the right thing to do at this time for the reasons that I stated earlier, but we just don't know that in my mind. We do have these tradeoffs of if it's a general tax, we would have to wait two years if we don't get on this November. We also don't know how it might poll. We might see that this has such strong support that it could be a special tax. That's the kind of

TRANSCRIPT

thing that we need to find out more about. Council Member Wolbach, you're first.

Council Member Wolbach: Obviously we need a little bit more money for transportation initiatives. We're very ambitious, as everybody recognizes. The grade separations, the TMA, the shuttle, etc. In particular on grade separations, I've had the same experience that a lot of people have. When I talk to people especially outside of Palo Alto in the county and the question of grade separation funding comes up, the question is asked, "Why should other people pay for grade separations in Palo Alto? You have more money than God." Obviously there are a lot of responses to that. Part of my response is Palo Alto would probably be contributing something ourselves. There would be some level of self-help. I do think that whether it's jointly on the ballot or through some other mechanism, it's important to recognize that if we're going to do grade separations in Palo Alto as we've highlighted, we're going to have to provide some of the funding, so we need to figure out where that funding comes from. I think that the Mayor's comments about polling is important. I would certainly not want to put anything on the ballot this fall that undermines the countywide effort. I think the countywide effort has continued to develop in a positive direction. I appreciate the outreach from Mr. Guardino and others in the county. I think that we've seen that moving in a positive way where Palo Alto will see some real benefits from that ballot measure. I don't want to undermine that. I am very open minded to how we collect more funding, whether that's through exploring increasing parking fees, especially for not low-income workers Downtown as Adina Levin suggested, which could bring in even \$2 million or \$3 million per year; whether it's through a sales tax on top of the countywide one, if that's feasible; whether it's through a business tax. If we did go in the direction of a business tax, I'd certainly want it to be a very moderate amount, say, on employees over 100 per business. It's, I think, very much too early to really get into the specifics of that. I really see at least three options for how we go forward. I'm agnostic, so I'd just like to hear from my Colleagues: one, we go to Policy and Services; two, we go to an ad hoc committee; three, we set up a commission similar to our Infrastructure Blue Ribbon Commission (IBRC) that we did for infrastructure funding and follow a process similar to that, perhaps learning from that and seeing if we could speed it up though. Those are really the options I see going forward. As I said, I'm fairly agnostic at this point.

Mayor Burt: Council Member Filseth.

Council Member Filseth: Just really briefly and high level. As we think about this, we ought to think who should pay for this. Commercial travel is an operating cost of doing business, and business parking is an operating cost

TRANSCRIPT

of doing business. Generally, it should be paid for by businesses. Now, the City happens to be an employer, and so the City is going to pick up a piece of that because the City employs people in here too. The majority ought to come from businesses. As we consider these different mechanisms, I think we ought to consider that too. On the subject of the VTA sales tax, if it's paid for by the VTA sales tax, then fundamentally it's going to be paid for by residents because most of that tax in Palo Alto is going to come from residents. It seems to me that we ought to find some other mechanism than the VTA sales tax to do it. I think there's a number of ideas floating around. I like the idea of having it paid for by parking permits. I think that makes sense as a way to contribute to it. Fundamentally, I think we ought to be looking at how do we make sure that this doesn't fall on the shoulders of residents.

Mayor Burt: Council Member Holman.

Council Member Holman: Basically I would agree with what Council Member Filseth said. I'm wondering if we also could, in doing any polling, poll for not only a general tax, an employee tax basically, and also consider as a part of that polling increasing the permit fees just to see what the attitude or feeling is out there about those. We can do that without a ballot measure. If we want to just test the temperature out there, we could also ask a question about that. We're certainly not going to be relying on development impact fees given that we've ratcheted that down for at least a temporary time. Any consideration, whether it's a permit fee which is where we go or a tax, again just to reiterate, should consider small employers under, say, 20 or 25 employees and most especially retail and personal service.

Mayor Burt: Thank you. Council Member DuBois.

Council Member DuBois: Just a couple of thoughts. I would like to see a Long Term Financial Forecast; we talked about that earlier tonight. Generally, I don't think this is a decision we should rush into. We certainly need to do polling. Just to clarify. If it was a general tax, we couldn't do it next year; it has to be every other year.

Mayor Burt: It has to be on the same ballot as our general election which is our City Council election.

Council Member DuBois: It was an interesting point that we should probably look at total fees we're imposing on business. I said it earlier and Carl Guardino said it again; this idea that we may actually get some money for things like Transportation Demand Management (TDM) from the VTA tax. Something we need to keep in mind. I do think we need mechanisms to ensure participation in the Transportation Management Analysis (TMA).

TRANSCRIPT

Residential Parking Program (RPP) was kind of a step there. I think a tax is another way to do it. We are one of the few cities without a business tax in California. Other cities are talking about headcount-type taxes. I mean, Cupertino is talking about \$1,000 a head for large businesses. I think one of the Mountain View Council Members has been talking about \$150 an employee. San Jose is talking about a gross receipts tax. I think one of the things we should consider is the type of tax, whether it's a head count or gross receipts. I think we really need to consider exclusions, exclusions of nonprofits, of companies with revenue less than \$1 million or a certain size. I think we need to carefully consider those. For me, in terms of policy I want to make sure we don't have a regressive tax that really penalizes companies that have a lot of low-wage workers. I don't think our goal here is to make companies be hesitant to hire people. The last thing I want to throw out is we're talking about Transportation Demand Management. Part of the reason I'm concerned about the Long Term Financial Forecast is I'm concerned about a long-term shift in City revenue on a per resident/per employee basis. The Comp Plan fiscal analysis came out, and one of the startling things in there is for the first time ever it said that it's better for the City to have more residents than more employees, which is pretty interesting. I think we really need to understand is this part of the service economy and the shift away from products, that we're just generating less revenue on a per employee basis as a City. If so, maybe if we start a tax like this. Initially it goes to transportation programs, but I think we need to be careful that we don't lock ourselves in for the long term. We may need at some point this money to go into the General Fund. That's my comments.

Mayor Burt: Council Member Schmid.

Council Member Schmid: I think the Council agreed clearly that we need to make investments, contributions to get the TMA underway. For me, the business tax makes the most sense. The commuters have created the need. Of the last five years, we've added three new jobs for every new employed resident. Over that time, the taxable assessed value for residents in Palo Alto has risen by \$5 billion. For nonresidents over that same time period, the assessed value has risen by \$460 million. Residents added more than 11 times as much as business while growing at one-third the rate. Clearly it's time for business tax to pick up some of that.

Mayor Burt: Thank you. Vice Mayor Scharff.

Vice Mayor Scharff: Thank you. I guess I think about it this way. We've started the TMA; we've started a bunch of transit demand management programs. If we don't do this right, people are going to say this doesn't work and it failed. I think we run a serious risk of that happening unless we

TRANSCRIPT

fund it correctly. I think Mayor Burt hit it right on the head when he was talking about the TMA people thought about it in terms of the constraints they believed they were acting under. What we need to do is think about how much money do we need, what would that take to do a robust program that works. I don't want to do a program that really papers over the problem, that we have something but nothing really changes. I think we have to go big on this and try and solve the problem. For me, that says how much money do we need to fund the transportation needs. That's the starting point. Then we design a tax around it to raise the right amount of money that gets us to where we want to go as a goal. Then we put in the exclusions that other people have talked about. Retail exclusions, for instance, they already pay sales tax. I don't know what the number is. I don't necessarily want to say, if it's an employee head tax, what that number should be. I think in Cupertino they're grandstanding a little bit, frankly, over \$1,000. I think we should recognize that. Barry's running for Assembly; I think he's grandstanding. I think this could be a very, very important thing for getting our transportation done. We have to think about it in a thoughtful way. I think Mayor Burt's correct that polling is the first thing we do. We don't want to jeopardize the VTA tax. We should say that right off. I actually disagree with Tom here. I think we want to go to the voters and be very clear what it's going to be used for and that it's going to be used for transportation and this isn't going to be siphoned off to just fund the General Fund. First of all, I believe that philosophically it's better when you go to the voters that you don't want to just say we want more taxes because we can spend more money. Second of all, I think when you do go to the voters that way, you lose. I think you want to be really careful about what you go to the voters for. I think the Mayor should form an ad hoc committee. I think that would be the right way to go. I think we should get on this and start thinking about it as soon as possible. We may choose not to go forward this year. We may choose to go forward next year, for instance, where we don't have a companion measure, where it's a straight say this is for transportation. I think all that's decided by the polling, and it's decided by what we figure out. That's my thoughts on it.

Mayor Burt: Council Member Kniss.

Council Member Kniss: I guess just a reminder to start out. We were just back in DC, the Vice Mayor, the Mayor and I. I guess I simply have to remind you there are so many cities that would give a great deal for our problem. There were workshops being held on how to attract more businesses into your community. It's always interesting to come from this area where we take, I think, a great deal for granted. In 2011, I was on the Caltrain Board, and we almost shut down Caltrain. That's a little more than 5 years ago. There weren't enough riders to sustain any long-term plan for

TRANSCRIPT

the train. If it hadn't been for a couple of us who said let's give it a try, let's stay at it, that would have been cut down from the 96 today to 48 trains. I was there; I remember it well. It's only five years ago. Much of our prosperity is what's driving our needs right now. I don't want us to forget that. It is so easy to have this turn around in a hurry. In '08, suddenly everything went down. At that point, there were businesses who were no longer functioning in this community. It can be very different. I think, yes, polling is always a good idea because it gives you a pretty clear picture even if we're hearing that polling in the national race isn't quite the same. I think we need to look really carefully at all of this. We've just increased the Transient Occupancy Tax (TOT), and we haven't spent the money yet from the TOT. I think the public is aware of that. VTA has been—in this case, it's essentially a planning group in the community that has been doing a good job of planning what could be on the November ballot that would benefit, as we heard earlier, all 15 of the cities. I would not say exactly what direction we should go in, what is the best way to decide what to do next. I think a polling actually will give us a good picture of where we are currently. I would then go from there.

Mayor Burt: Council Member Berman.

Council Member Berman: All of this is moving so fast. I really just want to make sure that we're very deliberate about what we do moving forward. I wasn't on Council when Council tried a business license tax five or six years ago, or six or seven years ago, that didn't work very well. I know there's likely to be a transportation measure on the ballot this November. I can't even keep track any more of all the other ballot measures that are going to be on the ballot this November, from a possible extension of the Prop 30 taxes to who knows what. Everyday there's a new initiative. Not to say that I'm discounting anything; it's just that I haven't seen an analysis of everything that's happening. We need to have a much more deliberate conversation about that. The fact that we'd have to approve something by July 2nd, although there might be wiggle room there, that's fast. That's fast to also get a lot of feedback from the business community which we would have to do if this were to be a responsible initiative. I agree we need to fully fund the TMA and that we need to do everything we can to give it the resources to be successful, but I think we need to have a bit more robust discussion about what that mechanism is, whether it's a tax or an increase of fees. I don't even want to speculate. I think we just need to have that larger conversation. I kind of thought that maybe that was what this was going to be. I didn't realize we were going to go so quickly down one path. I thought we'd kick it to Policy and Services Committee (P&S) to have that discussion. If we decide to create an ad hoc committee, that's another alternative. All I'd say is I'm not closed off to any options, but let's go slow,

TRANSCRIPT

let's make sure that all the stakeholders get a chance to weigh in, and let's be very deliberate about how we move forward with this so that we're successful. We all know in Palo Alto that if you try to short circuit the process, it comes back to bite you.

Mayor Burt: Council Member Filseth.

Council Member Filseth: I was just going to follow-on briefly to Council Member Scharff's comment that we ought to take a look at how much money we're going to need before we design a program to raise it. In this case, it's going to depend a little bit on exactly what structure the TMA goes down. For example, if the TMA spends all the money, buys all the passes, it's going to be one amount of money. If it looks more like the Stanford model where the member companies actually spend a lot of it directly themselves and the Research Park is more of a coordination facility, then it's going to look somewhat different. That's one of the things that the committee or Policy and Services needs to look at.

Mayor Burt: Council Member Holman. Council Members DuBois and Wolbach, you've already spoken once. Is that right?

Council Member Wolbach: Yes.

Council Member DuBois: (inaudible)

Mayor Burt: I want to let Council Member Holman speak once first. No, you've spoken as well.

Council Member Holman: Yes. Just a very quick question. I'm not opposed to it, but I'm curious what the thinking was, Policy and Services versus Finance Committee.

Mayor Burt: It really has most of all to do with the timing. We'd have a pretty intense load for this ad hoc committee in the coming weeks. If, after the polling, we were to come back to the Council with the results and determine that it wasn't viable for this fall most likely because it would compete too heavily with the VTA tax, then we'd go into a different mode and figure out what our process would be going forward. If it did look promising, then we'd need to pretty rapidly engage even more stakeholder involvement. I would expect we'd want to get some even for the polling phase, but that wouldn't be the heavy lifting of the stakeholder involvement. It would be if it looked promising, then we'd have to really go to it. As much as I respect what Council Member Berman had cautioned about, needing to make sure that we don't short circuit, we actually have critical timing. We have to find out in the next few weeks whether we want to pursue it all, any

TRANSCRIPT

more for this fall, or whether we think of it as a longer-term measure. We have to get to that point, and that's my sense that we need a committee that works with Staff quickly and comes up with the polling as the primary purpose. Council Member Wolbach.

Council Member Wolbach: It's interesting to hear this conversation moving very much in the direction of some kind of a tax. On the question of taxes, there was a comment made earlier that sales taxes are really a tax on residents. I would just posit that a great amount of our sales tax is also paid by employees who live somewhere else and spend their money in Downtown or other places or visitors who come to town. I would just disagree with the argument that a sales tax is just a tax on residents. It might be primarily; I'm not sure. I'm not even sure if we have the data on how much is paid by residents versus visitors or employees. A parcel tax would certainly be more of a tax on residents. It seems to me maybe—here's four steps to think about. A committee, whether it's ad hoc, it sounds like might be the best, but I'd want to come back to Staff for guesses about Staff impact and workload. It seems like there's at least four steps. One, figure out how much money is needed. Two, figure out how short we are. I can't remember which Council Member was saying how much money we're already getting from our TMA from memberships. Was that Council Member Filseth making this point? We need to figure out how short we are. What's the gap between what we're actually going to get versus what we need? That also depends a little bit on the VTA ballot measure. Figure out how much money is needed. Figure out how short we are. Three, figure out how to raise it. Four, figure out when to raise it. Echoing Council Member Berman's point, which I think is based on a lot of experience here in Palo Alto, we should, better than we have in the past sometimes, do a lot of outreach to the business community, Stanford, etc., all the stakeholders in town, to think very, very carefully about each of these steps. But again, figure out how much we need; figure out how short we are; figure out how to raise it; and figure out when to raise it. As I mentioned before, that doesn't necessarily mean a business tax is the best way to go. That might be a part of a puzzle that includes multiple solutions.

Mayor Burt: Council Member DuBois.

Council Member DuBois: Just some quick thoughts on the Downtown TMA. There potentially are some other options in terms of jumpstarting it. The City could maybe prepay it's employee fee for a number of years. We could potentially give them a low interest loan. It doesn't all have to be a grant. Again, I think we are contributing a lot of in-kind to the TMA already in terms of our shuttle program. Maybe we contribute other things. The one thing that struck me during that discussion was I think there should be a

TRANSCRIPT

clear separation of the commuter subsidies, giving away free passes to people outside of Palo Alto, from the General Fund money. What I liked with the Stanford model was they were much more of an umbrella organization, coordination. They were paying the coordination fees. They're running the Marguerite. They're running the bike share. They're not buying passes for private companies. That kind of concerned me a little bit. More generally, again what we're talking about now, I think, is a general transportation tax. I don't think we're talking about a tax for all of Palo Alto to pay for the Downtown TMA only. I think we should be clear about that. I'd like to clarify my other comment. Again, it was much more of a long-term comment. I think you're right; for the initial tax, it should be very clear, if we go that way, that there's a tax and it's dedicated for this use. My only point was over a longer term, 7, 8, 9, years, whatever it is, we may actually be seeing a shift. That may be a replacement for business sales tax. I'm not sure how you structure taxes, because I haven't gone through that before. If the initial tax at this level is dedicated to transportation, great. I'm just saying we should realize at some point in the future, if we want to increase that tax, that additional increase may actually need to go in the General Fund to replace other funding.

Mayor Burt: Have to go back to voters.

Council Member DuBois: Of course. As Chair of the Policy and Services Committee, I'd like to actually see it go to Policy and Services just to shape the polling requirements, which I think is the most time critical piece. I think we could have a shot at making the timing. I think we could do that very quickly.

Mayor Burt: Council Member Berman.

Council Member Berman: Kind of following up a little bit on Council Member Wolbach's comments, let me know if I'm missing something. We seem to be letting the timing dictate the policy. We haven't decided—just give me one second. Unless we're really just talking about doing a poll as a piece of information to use in discussing the different options, then that I'm okay with as long as there's an understanding amongst everybody including the community that this is far from a decision that we have made. It's just that we want to get more information to see what options are even viable. I think it's really important that we describe it in that way or else folks are going to hear that we're polling on a business license or whatever we call it. That's going to freak people out when there's been no conversation about that at all. I think we need to be really clear that that is just so we can get information to have part of a broader discussion about the different options. That's probably the only way I'd be comfortable going along with anything at

TRANSCRIPT

this point until we have a broader discussion about the different options that folks in the community have brought up. We haven't had that policy conversation yet. As long as it seems like that is the intention, then I'm comfortable with this just so long as we understand that we still need to have a conversation about a funding mechanism we think is right.

Mayor Burt: I think Council Member Wolbach had summed it up in a way similar to what I was thinking. We'd want to have additional information about how many dollars we think we would need to have Citywide, local transportation measures that would have a significant impact on reducing congestion from their current levels, not merely mitigate future, greater congestion. What would be the form of it; what would be the appropriate timing. How did you categorize the fourth one?

Council Member Wolbach: Actually the second one was the gap between what we're already likely to raise through other measures such as the VTA ballot measure and the TMA membership, etc. (crosstalk).

Mayor Burt: That's how much do we need to raise then.

Council Member Wolbach: Right.

Mayor Burt: Those are kind of the high-level categories. Within that, we have several different iterations even if we might have our own preconceptions on what we would want to consider. We've had out there the sales tax. There are a number of things that, if we weren't able to go forward with a tax, would fully fund these efforts. There's a whole bunch of smaller measures that we could be looking at in parking fees and permits and other various things. I think what we should focus on in the nearer term is getting past this threshold decision of do we want to go a next step in exploring this or do we take a step back for the time being. I think the high-level ones would be whether it would be a sales tax or a headcount tax or even a gross receipts we could consider in the polling. These are not necessarily things that my first inclination is supportive of. My first inclination is to think that it's a headcount tax. Out of being fair, we should look at the different options. I think we could look at a couple of different amounts. The question of tiering, by that I mean do we have a certain level where we have a full exemption, another level where they might—say hypothetically it was something like under 10 or 20 employees or whatever, they pay nothing. Up to 50, they might pay a half rate. Above that, they might pay the full amount. Would we want to know whether we should have a premium tax if employers have employee densities beyond what our zoning would anticipate? If you have 4 per 1,000 employees in an office, you pay the base. If you have taken advantage of that opportunity and

TRANSCRIPT

have more employee density than that, would that be a premium because those are arguably the employees that are exacerbating the problem the most? These would be things that, one, we'd simply want to know how they poll. Even if they poll, it would come back to us for all this policy discussion and the stakeholder groups. The polling wouldn't determine what we'd do; it would just give us a range of information. I'm just trying to lay out there some of the potential questions we may want to ask in the poll. Mr. City Manager, do you have any sense of if we wanted to engage in this, how long it would take to get polling done once we had settled on questions and what kind of cost range we might be looking at?

Mr. Keene: I don't have a cost. I took the liberty, when we put the Staff Report together, to reach out to pollsters we've used in the past to just get a sense of availability, how fast they thought they could work with us to put together a poll and could get me a cost. I was waiting until tonight to see what the direction was. I think that on that side of it, that's pretty quick. I think they can be really responsive. The ball's mostly going to be in our court as to what process you want to use, how long that would take as it relates to them coming onboard. Obviously a lot of this is just connected to your decision about do you want to be able to include in the general election of 2016 in the polling potentially, then we need to get going in order to do that. I would say that one factor you haven't mentioned—you did mention when we would do it, but there are a lot of factors. A pollster would also poll on what the pros and cons are of particular timeframes. How does a general election—we've got a Presidential election; how does that play out versus other things? It would just give you that information also.

Mayor Burt: I'd add just so we get kind of some order of magnitude sense. In my best efforts at trying to get a ballpark as to what dollars we might need, not for capital programs like grade separations which are, one, we have hopefully a sizable amount of dollars that would be in the VTA tax toward that. The first really major dollars toward grade separations in Santa Clara County that would potentially benefit our needs a great deal. If it was principally for various operations, to help fund the TMAs and do those kinds of things Citywide to perhaps quadruple our shuttle program, things like that that we've been discussing, it might be in the range of \$6 million or more per year total. With the number of employees that we have and assuming certain exemptions, if you were to guess that it might be in the neighborhood of \$100 per employee, that's about 5 cents an hour, is what it is per employee. It's not an enormous amount per employee. Yet, it potentially could address the problem that we've heard from employers. It's now as big of an issue to them as it is to residents. The dollars would basically come from employers, but to a great degree it would go back and benefit them including helping fund the TMAs in ways that—even the

TRANSCRIPT

Stanford Research Park, as strong as theirs appears to be, they've got 25 percent of their employers who are not in the same commitment as the others. As we see in the Downtown, if we look at that more broadly throughout the City, we'd have a real hard time having a really effective program on a voluntary basis. I just don't see it ever getting us where we need to go. I think the closest that we would get this in the community would be through the Research Park. In some ways also we already have it in the Stanford hospitals. Other than that, we don't have those really large employers that would really do that.

Council Member DuBois: (inaudible)

Mayor Burt: Go ahead, and then I need to call on Council Member Schmid as well.

Council Member DuBois: Just your comment about the \$100 per employee and if Mountain View's talking about \$150. There is some logic to doing this along with other cities in the area, almost like the minimum wage discussion. Again, that is also a consideration.

Mayor Burt: It is. We should share that when Cupertino and Mountain View have been discussing this, they're envisioning funding some major capital programs as opposed to service. That's why they're thinking about much bigger dollars. It's a valid question. Council Member Schmid.

Council Member Schmid: I wanted to try a Motion. Recommendation that the Mayor set up a special committee to explore a transportation tax and make recommendations to the Council within 4 weeks on the goals, the amount, the timing, the type, the tiering and the key steps that need to be taken.

Mayor Burt: I will second that, but then I'm going to need a clarification.

MOTION: Council Member Schmid moved, seconded by Mayor Burt to recommend the Mayor appoint an ad hoc committee to explore a transportation tax and make recommendations to the City Council within four weeks, including the goals, timing, type, tiers, and key steps needed to move forward with such a tax.

Mayor Burt: Did you wish to speak any more?

Council Member Schmid: I think the Council is in agreement that we need to have funds to make our transportation policies move forward, that it is fair since so much is commute-oriented, that it be a business tax. I think it makes sense to have a small group of Council Members who can meet flexibly

TRANSCRIPT

over the next 3 or 4 weeks, having roundtable discussions around this range of issues, and come with a recommendation to Council.

Mayor Burt: Can I ask a clarification? When you say within 4 weeks, is that when we would return with polling results?

Council Member Schmid: No. I assume there would be a discussion of polling by this committee, and it'd be part of the recommendation.

MOTION RESTATED: Council Member Schmid moved, seconded by Mayor Burt to refer funding strategies for Transportation Demand Management and other local transportation programs to a Mayor designated ad hoc committee for development of a recommended approach and report back to Council within four weeks.

Mayor Burt: I'm assuming that we would need to move more rapidly with an initial round of polling. As we've had with other ballot measures in the past, if we went forward, we'd probably have at least a second round of polling at that time. Mr. City Manager, did you have something you wanted (crosstalk)?

Mr. Keene: I think it is a challenge, which is how quickly can the committee or the Council put together a range of polling questions. That'll be involved. I think you're going to poll across a bunch of different areas. Is that something that can be delegated to the subcommittee and then actually do the polling or does that need to return to the Council? That really has bearing on the schedule. This is all conjecture. Even to think to design the poll and do the polling and do that within a month, that just strikes me as exceedingly fast. You know what I mean?

Mayor Burt: I would recommend that the Motion authorize the ad hoc committee in conjunction with Staff to have ...

Mr. Keene: Move as quickly as possible.

Mayor Burt: ... some outreach on the content of the polling as part of the committee work and to proceed with the first round of polling based upon a budgetary limit that we put in the motion.

Council Member Schmid: Okay.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "and authorize the ad hoc committee, in conjunction with Staff, to conduct outreach on the content of

TRANSCRIPT

polling and conduct a first round of polling” after “designated ad hoc committee.”

Mayor Burt: I guess the final question is if we're talking about having performed the polling, that 4 weeks is probably aggressive, as much as I want to move quickly.

Mr. Keene: I would suggest it's more open ended. It is clearly as quickly as possible, because that's going to be dependent upon a number of factors.

Mayor Burt: I think we know that if we don't get back quickly, we may lose an opportunity.

Council Member Schmid: Yes. If you want to reach the November ballot.

Mayor Burt: Can we go ahead and leave open the timing but with a clear understanding we're going to be moving as quickly as we can?

Council Member Schmid: As soon as possible.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion, “within four weeks” with “as soon as possible.”

Mayor Burt: Mr. Keene, any—I'm trying to recall past polling costs.

Mr. Keene: I don't know. I'm assuming in any case—I'm counting on it being an initial round of polling to be such that it's within the spending authority that I have and the process for just concluding the contract (crosstalk).

Mayor Burt: We don't have to put it in the Motion then. All right. Council Member Schmid, did you wish to speak any more?

Council Member Schmid: No.

Mayor Burt: I'm fine with not speaking to it. Council Member Wolbach.

Council Member Wolbach: Actually this looks better than what I thought it was. There were a couple of things that were mentioned that aren't here. I just wanted to address them a little bit. One is the question of scope. The Mayor suggested that this not include capital improvements related to transportation. That may very well be correct that that's the direction we want to go, that we want to exclude those and just focus on services. I would like to leave that open for this committee to consider. Again, I thought that this was going to say something specifically about a tax as the

TRANSCRIPT

approach. This text does not say that, which I like because I don't want to commit to only exploring taxes as an option because of the reasons we discussed earlier. I guess I just want to make sure that the committee keeps all options open and on the table. When it comes back to Council, I'll (crosstalk).

Mayor Burt: I think that's the way it's written. Council Member Holman.

Council Member Holman: A little clarification on the Motion here. Is it saying that—I'm not quite clear if the intention here is to give the ad hoc committee the fully authority of developing the questions, analyzing the results of polling and then come back to the Council with the results of the polling or with a recommended approach then. I'm not quite sure what ...

Mr. Keene: I think the way it should be worded is we would just cut the "report back to Council as soon as possible," that phrase out and put it at the very end of the Motion. Then it's saying a designated ad hoc committee for development of a recommended approach and authorize the ad hoc committee in conjunction with Staff to conduct outreach on the content of the polling, conduct a first round of polling and report back to Council as soon as possible. I think that's what the intent is designed to do.

Mayor Burt: I don't think it would be the purpose of the ad hoc committee—I think the intent would be to come back to the Council with the information and let the Council hold a policy discussion.

Council Member Holman: Then the language here, "ad hoc committee for development of a recommended approach," the recommended approach then would be the Council's decision if I understood what both City Manager—the recommended approach would come back to the Council, not be in the auspices of the ad hoc committee.

Mayor Burt: Agreed.

Mr. Keene: (inaudible) I didn't know you were coming back at all to the Council until you'd done a first round of polling. I misunderstood.

Mayor Burt: That's what we meant, but I think Council Member Holman is saying that when we come back to the Council, it would not necessarily be with a recommended approach to the ...

Male: (inaudible).

Council Member Holman: I think what would fix this is "designate an ad hoc committee and authorize the ad hoc committee in conjunction with Staff to

TRANSCRIPT

conduct outreach on the content of polling, conduct a first round of polling, and then return to Council for development of a recommended approach." I think that would fix it. Would it not?

Mayor Burt: I think so.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to remove from the Motion, "for development of a recommended approach" and to replace in the Motion, "report back to Council" with "return to Council for development of a recommended approach."

Council Member Schmid: I think a critical issue is the timing. We need to make a decision as soon as possible whether November is a realistic time period. I think that recommendation would be part of the ad hoc committee's coming back to Council.

Mayor Burt: The committee could recommend, but the Council would decide.

Council Member Schmid: Or give them options.

Mayor Burt: It could be ... Why don't we say with alternatives as opposed to a recommendation? Maybe that's the better way to do it. We'll digest the information and present alternatives. Does that seem reasonable?

Council Member Schmid: Yes.

Council Member Holman: It'd be "with alternatives on recommended approaches"?

Mayor Burt: On approaches.

Council Member Holman: Their own approaches, okay.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion, "a recommended approach" with "alternatives on approaches."

Mayor Burt: Council Member Kniss.

Council Member Kniss: Just a word of caution. I think looking back at November of '09 probably would be helpful. I wasn't here then. I don't know who was involved in that election. I think the City Manager was here then. Since the past can be helpful in making decisions about where we're

TRANSCRIPT

headed in the future, I know some of you were there. Pat, you must have been there then as well. Just to look at that for an information base.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: Just briefly for clarification. I'm assuming this would be a Brown Act committee. The committee would meet in public and would go through all of that. The way Council Member Schmid described it, you could have these quick meetings here and there. I want to make sure this will be basically a four-person committee that would meet in public. People could speak. The stakeholders could come. There'd be noticed meetings, all of that.

Mayor Burt: It would. I think under the law as an ad hoc committee, it's not required to, but I would support that.

Vice Mayor Scharff: I don't know if we need to put that in there. As long as that's your understanding, I think we're good.

Mayor Burt: Just looking at whether there's a place to ... Why don't we add "and authorize the ad hoc committee through a series of public meetings"? Maybe that covers it well enough.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "through a series of public meetings" after "authorize the ad hoc committee."

Mayor Burt: Council Member Holman, did you have something else?

Council Member Holman: Yes. I'm sorry; I meant to mention this earlier. Council Member Kniss' comment reminded me. I think it's important—it doesn't need to be in the Motion—that whoever is on the committee—I'm lobbying—should also consider as part of the polling what the money is going to be spent on. It's going to be an advisory, not a 66 percent vote, I would think. What the money would be spent on, and who would be impacted. That's one of the things that went wrong, I think, in 2009. When this was on the ballot before, it wasn't a clear measure, and it wasn't really clear who was going to benefit and what the outcomes were going to be.

Mayor Burt: Agreed. The 2009 was a General Fund measure, frankly. It was the fee deficits that existed because we had not accomplished pension and benefit reforms. It wasn't for a specific purpose. Council Member Berman.

TRANSCRIPT

Council Member Berman: I'm not sure if I'm comfortable with this anymore, especially with the new instruction. We're giving a lot—I'm reminded of a saying. It's not the people who make the decision that have the power, but it's the people who give those people the options. All of a sudden, we're designating to an ad hoc committee a lot of authority that's not going to be approved by Council. If you look at it, a designated ad hoc committee and authorize the ad hoc committee through a series of public meetings in conjunction with Staff to conduct outreach on the content of the polling and conduct a first round of polling. That, according to Council Member Holman's comments, will also include how that money will be spent. That's a lot of policy that is not being approved by the full Council.

Mayor Burt: It's not policy. It's not policy.

Council Member Berman: Then we will be making—you're right, but we will be making a decision based on the options that come back from the poll. It is narrowing the options by doing the poll. That I'm not comfortable with unless it comes back. Council Member Holman, I don't think understands. The poll will be authorized by the committee. That data will come back to the Council, and the Council will decide whether or not to act on that information, but the full Council will not have a role in deciding what that information is, what we get information back about.

Mr. Keene: What the polling questions are.

Mayor Burt: I would add that as I recall past polling, we've never had polling questions determined by a Council.

Council Member Berman: I'd want to know what we did with the Infrastructure Committee, because I don't recall. As I said a minute ago, if we're saying we're going to make decisions based on the polling results, and we're saying the full Council will not have a role in deciding the poll, then the full Council doesn't really have a role in deciding the options.

Mayor Burt: We had a discussion tonight. I think the Council would need to trust that what we've talked about as alternatives, we're going to try to ask a broad range of questions that will inform decision making not determine decision making. That's the intent here.

Mr. Keene: If I might add to this. Not to be disagreeable with Council Member Holman. I think the example you gave of some questions is just one of many questions as we are working with a pollster which will ultimately be informed by how much it costs or how many questions there are and how much he or she thinks that's too many questions. Secondly, whatever the committee says, I'm assuming we're going to have to deal with

TRANSCRIPT

what the polling questions are going to be. It's going to be public meetings, so that's going to be clear what direction you're going. Third, the assumption would be that first round of polling gives you enough useful information to then start to sharpen, the Council will probably say, "There's some other follow-up polling we still want to do, but there looks like there is some possibilities here." You might get enough information you say, "Nothing's coming back good in the immediate time. Nothing left to do." The Council always has the potential to say, "Even though we got some useful data, it's incomplete. I'm not comfortable in voting that we move ahead unless we have more information which we don't have." I think this is step by step. It's driven by the fact that you don't want to close the door on one of your options which is a November election. You still have lots of chances to be able to say, "We're running out of time. We want more information." Hopefully the committee is able to craft a usable first poll that will really signal whether or not it has merit in the near term. The truth is our pollster could come in and say, "Forget it. What you're even trying to do"—he or she may say it's not going to work. The sooner we get with a pollster, they'll help us with that.

Council Member Berman: I guess what I would ask of those on the committee, because I'm not going to volunteer to be on it, is that they take a very broad approach to this, so the Council gets as many options as possible both for how to raise the revenue and what it goes to.

Council Member Holman: By my comments about how the money was going to be spent, it's not to foreclose options. You can poll for if the money were being spent for this, then the polling comes out positive. If the money's going to be spent for that, it doesn't come out with as much support. It's not to foreclose options. It's to look at what the options might be and give people who are being polled a choice.

Mayor Burt: Council Member Wolbach, did you have something else? If not, then I think we're ready to vote.

Council Member Wolbach: As I said earlier, I would want to come back to Staff. It's evident that Staff was expecting that we might be going in this sort of direction tonight, but I would like to hear something explicitly from Staff about what this process, a new ad hoc committee under this kind of timeline looks like for Staff impacts and workload over the next couple of months.

Mr. Keene: Council Member Wolbach, members of the Council, we've got more than enough to do. Understanding that your direction really right now is focused on the polling questions itself and not really a bunch of other

TRANSCRIPT

work, I think if we've got an efficient committee, with the short timeframe and the turn around, we can assimilate the work. We can then talk about it at the next stage, when we come back with results from this Motion.

MOTION RESTATED: Council Member Schmid moved, seconded by Mayor Burt to refer funding strategies for Transportation Demand Management and other local transportation programs to a Mayor designated ad hoc committee and authorize the ad hoc committee, through a series of public meetings, in conjunction with Staff, to conduct outreach on the content of the polling and conduct a first round of polling, and return to Council with alternatives on approaches as soon as possible.

Mayor Burt: Let's vote on the board. That passes unanimously on a 9-0 vote.

MOTION AS AMENDED PASSED: 9-0

Mayor Burt: I will be open to Colleagues who have the time and inclination to serve on this committee. We'll see how many people want to do that and figure out how to structure it from there. That concludes Item Number 13.

~~14. Fiscal Years 2017 to 2026 General Fund Long Range Financial Forecast.~~

Mayor Burt: Item 14 is rescheduled for April 4th.

Inter-Governmental Legislative Affairs

Mayor Burt: We have Inter-Governmental Legislative Affairs. Frankly, as Council Member Kniss mentioned, the Vice Mayor, Council Member Kniss and I were back in DC for the National League of Cities. We ended up spending the bulk of our time with governmental agencies and legislators. It was very constructive and, I think, productive. We met with the Federal Aviation Administration (FAA). We met with the Corps of Engineers, with the Department of Transportation, with Congresswoman Eshoo's staff and with Senator Feinstein's staff and others. At this hour, I'd like to defer a full report until next week. It was productive.

Council Member Questions, Comments and Announcements

Mayor Burt: Anyone else have any Council Members Questions, Comments and Announcements?

Council Member Kniss: I have an announcement.

Mayor Burt: Council Member Kniss.

TRANSCRIPT

Council Member Kniss: Last week, I went before the August body of the Cities Association where I was reelected to serve on the Bay Area Air Quality Management District Board. Thank you all. Also wanted to pass this on to you. From time to time, there are a variety of grants that come out. This one says Dear Mr. Hamm Congratulations. We're writing to notify you of the blah, blah the Air District's Board of Directors recommendation to give transportation funds for Clean Air TFCA Funds to the research center in order to put in 24 single-port, DC charging stations. The \$120,000 will go to them. From time to time, we do get grants. I know that you receive these as well, but I thought you might like to know that there is money. We do get some money from time to time. This is for electric vehicles. That's it. Thanks.

Mayor Burt: Also in addition I see two other colleagues here, but I want to announce one important thing related to the aircraft noise. As you probably have read, Congresswomen Speier and Eshoo and Congressman Farr have created a select committee for their three different Congressional Districts, each having the option to appoint four representatives to, within the next 6 weeks, make recommendations to the FAA on noise reduction. Vice Mayor Scharff was appointed as an alternate. I think we were disappointed that our colleagues in the Cities Association didn't see that we deserved to have a full appointment. Fortunately, Congresswoman Eshoo has appointed Supervisor Simitian who is well versed on the issues and understands the impacts that they've had on Palo Alto. We are confident the data shows Palo Alto, East Palo Alto, and East Menlo Park are the epicenter of these impacts. I think that between Vice Mayor Scharff and Supervisor Simitian, we'll be well represented. We'll have to make sure our voices are heard. Council Member Holman.

Council Member Holman: That was my point. I was just going to ask if somebody wanted to report out on that vote. That was covering my point. Thank you, Pat.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: Three things quickly. On the 3rd of March which, I think, was since our last Council meeting, I with Vice Mayor Scharff attended a San Francisco Bay Conservation and Development Commission (BCDC) event on sea level rise which I thought was very useful and informative. A good table top exercise at least to start thinking about what some of the impacts might be, but there's much more to think and do on that front, as we all know. Also along with, I believe, Council Members Schmid and Holman attended the FAA and Sky Posse meeting here. I thought Staff did a great job with that. On 3/9, I just wanted to say thank

TRANSCRIPT

you to the City Manager for signing with Max McGee from the School District the agreement on Cubberley. Thank you for that.

Mayor Burt: Finally, Vice Mayor Scharff.

Vice Mayor Scharff: Mayor Burt dealt with the FAA select committee. Just briefly I'll also say when we were back there for the National League of Cities, I also attended a number of meetings for our Utilities Department and also for Northern California Power Agency (NCPA) and also for the American Public Power Association (APPA) as well as that.

Mayor Burt: On that note, the meeting's adjourned.

Adjournment: The meeting was adjourned at 11:20 P.M.