



CITY OF PALO ALTO CITY COUNCIL COMMITTEE OF THE WHOLE TRANSCRIPT

Special Meeting
May 31, 2016

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

Present: Berman, Burt, DuBois, Filseth arrived at 6:10 P.M., Holman, Kniss, Scharff, Schmid, Wolbach

Absent:

Study Session

1. Council Study Session on Sea Level Rise.

Mayor Burt: Our first item is a Study Session on sea level rise. Mr. Bobel, did you want to take the lead on this?

Phil Bobel, Public Works Assistant Director: Thank you, Mayor Burt. Phil Bobel, Public Works. We have a good group of Staff people here to support us and be with us. Kirsten Struve will do most of the presentation. Joe Teresi is here to answer questions as is Matt Krupp, sitting behind us here. We have many dignitaries from our upper management. I can't even name them all, looking out in the audience; we have so many department heads, which is great, because this is an interdepartmental effort. One of the points we wanted to make right off the bat is that we're trying to coordinate and, I think, doing a reasonable job, and we'll be talking about that among the departments to address tough problems. Your agenda is background and the current efforts. We're going to present six guiding principles that we'd like to suggest. Of course, this is a Study Session; you'll not be acting on these. It gives you a context for some next steps, and then we'll be talking about those next steps. We do hope to inform and to prepare you. Mostly our thought was for future things that will be coming to you that'll involve sea level rise. There's a number of them, and Kirsten and I will be going through them. Hopefully this is truly a Study Session, a background for you on all these things. Another key goal, of course, is to get your input and to try to take that back to the various things that'll be coming to you, and see if we can get some of your input early on into these individual projects. Just a quick reminder. This shows both creek and Bay flooding. It shows the

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creek flooding in blue. The green is the Bay flooding, tidal flooding. The red is an area where the two overlap, and it's both types of flooding. This slide just reminds us all that we have a number of critical facilities out in the area of tidal flooding, our Baylands. I won't go over them all, but we know they're there. The next slide makes the point that we have a wide range of uncertainty and a series of differing projections by different entities on the degree to which sea level is going to occur. This slide shows global change, a little different than some of the more local projections you've seen. In the past 10-15 years, the rate of global rise has risen about 50 percent. San Francisco Bay has one of the oldest tide gauges in the country and has seen about 0.6 feet of sea level rise over the last century. As you can see from this slide, the projections range from about a foot by the end of the century to 6.6 feet by the end of the century. There's even greater projections that you'll see from time to time that are over 10 feet of sea level rise. This a little bit of terminology for you, because there is a little more terminology to this whole sea level business than meets the eye. The first thing to show you is that the tide tables that we look at and when we talk about king tides is on a different datum than most of the discussion we're going to have about sea level rise. The mean lower low water in our area is about 4.4 feet below mean sea level. Yet, for historical reasons, we use this as the datum for tide measurement. When you look at a tide table and it says that today the tide is going to be +10 feet, that's 10 feet above mean lower low water. You'd add 10 to -4.4, and you'd get +5.6. In terms of mean sea level, the tide is—the elevation is substantially less than it would look like in your tide table. I want to make that point. For the rest of this presentation, we're going to be talking about mean sea level as the datum, not what you'd see in a tide table. That's how everybody talks about sea level rise. They talk about it as how much mean sea level is going to go up. That was my typical king tide. This strange looking brown thing over there, hanging onto the shore, is our levee. Our City Manager asked us to add the levee, and we've done that as best we could. That levee is typically about 10 feet from mean sea level. That would protect us, knowing the problems with our current levee system, from about a mean sea level of +10 feet. You'll remember that the Federal Emergency Management Association (FEMA) map that we are working with in terms of flood insurance is 10.5 feet. FEMA declares it the 100-year tidal situation to be actually 10.5 feet, and we usually round that to 11. On this slide, we're showing you the 11-foot 100-year tidal flood elevation. Notice that it's a little bit higher than our current levee. The levee varies, but approximately 10 feet is what we currently have. Another terminology that you're going to hear is about the wave run up. What that means is that the tide is affected by the winds and the wave action associated with that. One could add, as a protective measure, another increment to take care of the wave run up. Another term that you'll see used is freeboard. Think of that as a safety factor. Sometimes two feet is

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used. In this sort of example in my slide, we're using one foot as a safety factor. There's sea level rise, which we came to talk about. Here we're using an example of a three foot sea level rise. On the previous slide, we know that these estimates have ranged from essentially one foot to greater than six feet. Here we use three feet to show you an example of sea level rise, adding on to all of these other things which could contribute to an increase in the level we could protect against. You see that our current levee is now completely overwhelmed. I'm going to ask Kirsten to take you through the rest of these slides.

Kirsten Struve, Environmental Control Program Manager: Thanks, Phil. This is an image you might have seen already in the Sustainability and Climate Action Plan. It's the sea level rise vulnerability in Palo Alto. The Bay Conservation Development Commission, or BCDC, requires planning for 55 inches of sea level rise as part of its Bay plan. BCDC's jurisdiction is 100 feet in from the Bay. That's what the darker blue shows, the 55-inch sea level rise and the vulnerable area in Palo Alto. I know it's confusing with all the different estimates, but the Pacific Institute estimates that a 3.28-foot rise in sea level would put 220,000 in the Bay Area at risk of a 100-year flood event and also threaten critical infrastructure and natural ecosystems. The cost of replacing all this property that is at risk of coastal flooding with sea level rise is estimated at \$49 billion. The Staff Report goes through a lot of these initiatives. Last September, we brought a response to a Grand Jury report to the Council. The Grand Jury found that Santa Clara County has a very disjointed approach to sea level rise and that there was no true leader coordinating these efforts and suggested that the Water District should be the coordinating agency. We go into more detail on both the State and the Bay Area efforts. We are very actively participating in the coastal hazards adaptation and resiliency group, which is a collection of agencies, local, State agencies, that are dealing with sea level rise. It has several subgroups dealing with funding, policy and technical aspects and also a regional subgroup that is led by the Water District. The Water District is assuming a leadership role for the county. BCDC is looking at possibly being a regional leader for the Bay Area. In terms of what to do about sea level rise, there are three basic response tools. One is to protect using traditional levees, flood walls and wetlands. The next is to adapt, and that could be various things; elevated structures like we've already seen in some areas of the South Bay, structures that can be submerged or sort of a managed retreat, starting to plan for nothing being there in the future. Retreat is either partially or completely surrendering a facility to rising sea levels. These tools could be used in the same place, either together or in series depending on what happens in the future. The six guiding principles we're presenting are to plan for whatever the current planning level is, which at this point is 55 inches of sea level rise by 2100; to monitor the latest science and adapt

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that number as needed for City projects; ensure that engineering solutions are adaptable to changing predictions—for example, when we build a new levee, making that base large enough to accommodate increasing in height if we need that to happen—considering all three tools, when appropriate and cost effective; looking at protecting, adapting and retreating to see which one would work best—also using these tools together, because we have seen that levees can fail in other parts of the country. It might be prudent to use adaptation, like elevating our structures, in addition to levees—collaborating with regional planning efforts. If we protect Palo Alto by itself, we will still flood. We have examples of how we might apply these guiding principles and tools. For example, the treatment plant, the Regional Wastewater Quality Control Plant, is an essential facility to protect public health and the environment. It is likely not cost effective to relocate and must, therefore, be protected by levees in the long term, but we will still need adaptation because we will need to start pumping our effluent against the tides. Right now it's flowing gravity. We may need to construct new facilities differently with rising groundwater in mind. In terms of facilities in the Baylands, right now the SAFER project, which we will talk about later, will protect them for the next five decades. We need to analyze the cost effectiveness of increased protections if sea levels rise more quickly or higher than anticipated. The Municipal Service Centers is already in an inundation zone, and emergency response capabilities were affected in the 1998 flood. Using all of the guiding principles to protect Municipal Service Center (MSC), including access to allow emergency response, is something we need to look at. Now we'll go through what is being done to protect the Bay Area and Palo Alto in particular. Protection tools include, as we talked about, sea walls, especially where there's not enough room like in San Francisco, and levees. The thing that is emerging as one of the more exciting ideas is this ecotone levee or horizontal levee. It's a vision for the future to help us adapt. Basically what it is, is a levee at its core, and then it has a very long, gentle slope that's planted with wetland vegetation. It is being piloted across the Bay in the Oro Loma Sanitary District, where they also use wastewater to seep through the levee to water and nourish the plants. They have different plant palettes to figure out which ones work the best. The benefits of using this kind of approach instead of a traditional levee is that—Phil described the whole wave surge and having an extra factor for the waves. The plants catch the waves, so these levees don't have to be as tall. There's reduced maintenance because levees do erode if wind and waves get into them all the time, but the wetlands will help protect them more. They provide habitat because just like our land structures, wetlands will be under water with sea level rise, and there will be no habitat unless we try to help with ecotone levees. They could adapt to rising seas if enough sediment is trapped and plants keep growing. They have the potential to treat wastewater. We've put together a list of some issues for consideration that

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you might discuss. For example, what local planning should we be doing now as we're doing the Comprehensive Plan? Should we look at zoning restrictions, new building floor height requirements? What kind of risks are we willing to tolerate? What are acceptable costs? What critical assets need to be protected? Should we always consider both protecting and adapting or is that too expensive? Should we only protect for the lifespan of facilities or longer? Current protection efforts going on are the South Bay shoreline study that the Army Corps is leading. While this is the whole shoreline study area, the current focus is on Alviso in San Jose. In Palo Alto, we have the SAFER project; that stands for Strategy to Advance Flood Protection, Ecosystems and Recreation, so all three, flooding, ecosystems and recreation. It is jointly funded through a grant from the Department of Water Resources and financial contributions from the three cities. It's a feasibility study to identify the preferred alternative for improving our existing Bay-front levees, which are not FEMA certified to 100-year flood protection including sea level rise for the next five decades. This map shows the draft alignments. The area in pink along San Francisquito Creek is the currently ongoing project, the creek project. The other lines are various options for protecting Palo Alto from Bayside flooding. There are several opportunities identified for using ecotone or horizontal levees, especially if we do something like the yellow and the orange line (inaudible) some room. The challenge with the horizontal levee that is technically considered Bay fill, so it's not easy to get permitted. The San Francisco Estuary Institute is a science organization that assists policymakers with information needed to make decisions. Back in the '90s, they provided a roadmap for wetland restoration that they have now updated, the Baylands Goals report. They see Baylands as the real future, so that we can still see the Bay and enjoy the Bay with recreation and use tidal marshes to protect ourselves from the rising sea, especially if we can restore them quickly so that they can help grow—that we protect land so they can migrate land where it ends and that we can also restore complete systems where creeks connect to the wetlands and help create a full habitat.

Mr. Bobel: Thanks, Kirsten. I'm just going to go over the next steps that we're suggesting. Some of them are ones that you're going to deal with regardless of desire and others are choices. The first one is the SAFER project, the tidal flooding part of the Joint Powers Authority (JPA) work that you're familiar with and that Kirsten showed some options for on the map. We think that the feasibility study on that is still a couple of months away from being given to you, but that is one of the nearer-term things that's going to come your way, this series of options that Kirsten showed. It'll be called the feasibility study for the SAFER project. We know that the height assumption is going to be three feet, so this is an example of planning ahead but not building for the highest planning level, that 55 inches that Kirsten

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mentioned. You might say, "Why isn't the SAFER project planning for 55 inches or even some greater amount?" They're using, in effect, one of our principles which is design for flexibility in the future. Build the base of the levee big enough so they can rise over time, but not build it higher when we're really not certain how much sea level rise is going to occur. We're already sort of using these principles that she suggested. The second thing that's going to come your way is a new FEMA map. It won't be for your approval; it'll just be given to us. We are commenting on it; we've just done that several weeks ago. Director Sartor signed a letter to FEMA with our comments on their initial draft. This is not really a sea level rise map, though. This is just tinkering with their current 10.5 height and looking at some additional properties that they're going to suggest adding. I'm told that they are working on consideration of sea level rise for a future, future map, but the one that's coming to us in a few months isn't to include sea level rise; it's just to tinker with the existing map that they have. That's the second one. The third one, here's where we need some input from you all. We could develop a policy on sea level rise. I personally would suggest that. As we move forward with all these documents, there's a chance that we wouldn't be fully coordinated unless we have a policy that all our Staff and all of our members have weighed in on and considered and agreed upon. An example of what might be addressed in a policy like that is some of the dilemmas that Kirsten pointed out under the suggestions for discussion. Just to name one of them, it's this balance between adaptation and protection. Do we do both at the same time? Should we be building this big levee and be raising buildings up or raising electrical panels up or doing other stuff with the concern that maybe the levee will be breached or maybe it's not high enough? Shouldn't we be essentially doing a belt-and-suspenders action? Shouldn't we be doing two things instead of just one? That's the type of thing we could address in a policy with input from you. There is no policy currently under development; we just suggest that again for your discussion tonight. The Comprehensive Plan, I don't have to tell you all about it. You're seeing it; you're discussing it in pieces. The Citizens Advisory Group has it on their calendar within the coming months to consider sea level rise in the safety or land use sections or both. Then, it would come to you. You'll see sea level rise through that vehicle. The Draft EIR, which has been prepared and released, for the Comprehensive Plan (Comp Plan) uses 55 inches as a planning level, consistent with the suggestions by BCDC and their work that we are doing and the suggestion we made as one of your guiding principles, to use the 55 inches. That's in the Draft EIR for the Comp Plan. The fifth one listed is the Sustainability/Climate Action Plan, which you've seen. You adopted a key goal with respect to it. You have us coming back to you in two parts. That too is including the map that Kirsten showed, the 55 inches as a guidepost for us. We're together on that. Number 6 kind of relates to Number 3. The

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question is the extent to which we should modify our building requirements. Should we depend completely on the levee system or should we be modifying our building requirements? This came up, you might recall, when we brought the sewage treatment plant's next addition to you, a \$25 million project. Some of you asked, "Shouldn't we be doing more to protect it than just rely on the levee system?" Again, that's a question for us in the future, the degree to which either the zoning requirement or the building requirements themselves, the Code, be changed. Lastly, we're doing a local hazard mitigation and adaption plan as required. The plan is to have that tied to these other plans as well. Again, if we had a City policy or new zoning requirements or new building requirements, we'd make sure that that was incorporated in this new local hazard mitigation and adaption plan. Those are the next steps we see for you. We'll stop there, and let you discuss away.

Mayor Burt: Let me ask really how much depth of our discussion tonight you're really looking for, because we basically have what's summarized on Slide 15 and 20 is really, I think, what we are focusing on, the issues for consideration and how they relate to next steps. Clearly we're not going to be able to determine things tonight on this. It's a Study Session. Phil, can you (crosstalk).

Mr. Bobel: I would say, again, mostly this is to get you thinking and warmed up to this, so these issues aren't surprises when they come to you on these individual projects and measures that we talked about. I think the area where we could use some feedback immediately is Slide 20, where we talk about do we need a policy or are you comfortable moving ahead with what we've given you so far, and the question of whether we should strengthen Zoning or Building Code requirements. That goes to the question of do we just protect or do we protect and adapt at the same time, using that word adaption to mean build structures in a different way.

Ms. Struve: Also, generally what are your priorities and your vision for Palo Alto with respect to sea level rise?

Mayor Burt: With our format tonight, I'll try to use my peripheral vision. If I don't see you, wave your hand and I'll catch you. Who would like to go first? Council Member Kniss.

Council Member Kniss: Thank you very much, both of you. It's a good presentation and a sobering kind of discussion. One of the things that comes right to mind is cost. I know the last thing you mentioned was the water treatment plant and should it have been higher. Also, you might say something about the heights. For anyone who's building in this area, there's

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the FEMA requirement regarding the height. It certainly adds a fair amount to the cost at the same time. We have to have this policy; there's no question. That's Number 3. It'd be good to know cost, what other jurisdictions are doing around us. Pat's been extremely involved with the creek project and with a number of other jurisdictions and how many other jurisdictions would be involved with some of these decisions that we make, especially around the adapt—what was the other? Adapt and ...

Mr. Bobel: Protect.

Council Member Kniss: ... protect plan, because what was presented was very appealing when you do something that appears much more natural. All of these have costs with them. Obviously something we need to do. Just talk a little about that and where we're going with our budget.

Mr. Bobel: That's a big issue for us all. Using the example of the SAFER project, we have options and we have costs. The expectation is that cost will be a major factor in determining what options are chosen. That's the only wisdom I can pass on about cost, to say that it's our expectation that in any actions, projects we would propose, to look at costs and tell you what the benefits are of additional spending.

Council Member Kniss: The FEMA map updates, Number 2, which as you've said we have nothing to say about, but they ...

Mr. Bobel: We've commented on it, and hopefully they'll take our comments.

Council Member Kniss: Remembering back to the big flood and how much of a challenge there was regarding what FEMA would cover and not cover, I'm hoping at some point we also know, for those who want to build in that flood zone, what that actual cost will be to them and/or to us. Thanks.

Mayor Burt: Council Member Schmid.

Council Member Schmid: Just one very basic question. In the material we got, there's a section called local projects on Page 9 and 10 of the Staff Report. It mentions the SAFER project and states there the study and design for the Bay-front levees between San Francisquito Creek and Redwood City. On the previous page, under local projects, it has the City of Mountain View has done a comprehensive sea level rise vulnerability and adaptation assessment, and the City has developed a Capital Improvement Program to meet flood protection. If you can turn to your Slide 7, if you take those two local projects literally, we are doing a job from the borderlands on the left northward, and Mountain View and the South Bay

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shoreline is working very effectively from the black line south. What's left open is that middle two mile stretch between San Francisquito Creek and the Mountain View border. Now the map you show on the SAFER ...

Mayor Burt: Can we just let Staff respond to that first, so that we don't proceed under any false understandings there?

Mr. Bobel: Are you asking whether the SAFER project includes that area that appeared to you to be a gap?

Council Member Schmid: The SAFER project gives three or four alternatives, but in the written material it very clearly says it's from San Francisquito Creek to Redwood City is the current agreement. We need to discuss what happens to the south of San Francisquito Creek. I cannot believe, given Slide 7, that that wouldn't be a priority for Palo Alto.

Ms. Struve: You found an error in our Staff Report. It's from both San Francisquito Creek to Redwood City and also south to Mountain View.

Mayor Burt: That's why I was trying to let Staff speak, so that we wouldn't spend 5 minutes down a false assumption.

Council Member Schmid: What's presented here is the series of alternatives, some of which ...

Ms. Struve: Those are just for Palo Alto.

Council Member Schmid: Yes. I mean, I can't believe you want a statement from Palo Alto that you would not include protecting what's shown as vulnerable on Slide 7. That's my comment.

Mr. Bobel: Sorry, error there. The SAFER project, of course, the whole point of it is to protect the area you're talking about.

Mayor Burt: Council Member Berman.

Council Member Berman: Thank you. To quickly personally address the two questions you brought up, yes, I think the City should develop a policy on sea level rise actions. I lean towards the protect and adapt strategy as opposed to just the protect. I guess strengthening building requirements as well, but I think that partially depends on how strong the protect measures area. I think that's a conversation that will evolve. Speaking of the City of Mountain View and what they did in conducting a comprehensive sea level rise vulnerability and adaptation assessment, is that something that we should consider as well? It says that was specifically for the Shoreline community. Is that not necessary for Palo Alto because we're not that

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compromised as the Shoreline area of Mountain View is? I noticed that wasn't necessarily a ...

Ms. Struve: SAFER is basically doing the same thing for us.

Council Member Berman: Got it. One of the goals of SAFER is to, at the end of it, be able to develop a Capital Improvement Project (CIP) program to address the ... Great.

Ms. Struve: That's right.

Council Member Berman: That answers another question I was going to ask about the status of our levees and how—I feel bad; you guys are right in the sun. What is the status of our current levees? Are we currently going through an assessment of that to see how strong are they, are they at risk of breach? I don't know how often we do that kind of an assessment.

Joe Teresi, Senior Engineer: I'm Joe Teresi, Senior Engineer in Public Works Department. Our levees are maintained by the Santa Clara Valley Water District. They are being maintained; however, they're of a state where they're not certified by FEMA because they weren't constructed to modern engineering standards, and they don't have the safety factor necessary to be certified. That's why we have such a large area of the City in the tidal flood plain, because the level of protection does not meet that FEMA standards. That's the purpose of the SAFER project. The feasibility study has already been funded by the City for the (inaudible) of levee in Palo Alto. In the fiscal 2017 CIP, there's a new CIP that would fund the design and environmental assessment of those levee improvements.

Council Member Berman: Just want to ask a couple of quick questions about the Municipal Services Center. When I served on the Infrastructure Blue Ribbon Commission, this is one of the things that we analyzed. I was actually on that subcommittee. We talked about a lot of the benefits of relocating at least some of those services and City functions west of the highway for resiliency purposes in a natural disaster, more so an earthquake that we talked about than sea level rise at that time. We kind of set that aside in terms of the City Council's efforts and focused on some of the other components of the Infrastructure Blue Ribbon Committee (IBRC) report, but not really the relocation of the Municipal Services Center, which is an area ripe for improvement on multiple fronts. Has there been any other discussion about either relocating a lot of the functions or some of the more highly sensitive that we would really be up a creek without a paddle if that area flooded? We've got some seriously sensitive equipment that's on the ground floor that can't be moved up to upper floors, if I recall correctly.

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Brad Eggleston, Public Works Assistant Director: Brad Eggleston, Assistant Director of Public Works. We haven't had the type of planning efforts that were talked about at one point during the IBRC. You probably recall at one point we had funding in place for a full study that was going to look at relocation of the MSC and kind of highest and best use of land, potentially other land uses there and relocating certain functions. That was actually defunded about two years ago. Kind of our current strategy on the MSC, we're actually moving forward with some projects to improve what we've got there. Roof replacements, mechanical and electrical improvements that had been on hold, things like that. There probably is some work to be done along the lines of what you're saying as far as assessing equipment that's in harm's way in case of flooding.

Council Member Berman: I'm forgetting the name of it, but it was kind of the nerve operation center for the ...

Mr. Eggleston: The utilities control center?

Council Member Berman: Thank you, yeah. If memory serves me correct, on the ground floor and kind of right in the path of the floodplain.

Mr. Eggleston: I'm not very familiar with that facility, other than knowing that it's there.

Council Member Berman: I don't remember—this was six years ago, so I don't remember all the details either. I just remember that there seemed to be—that should be an area of focus for us if we're going to be either protecting things or retreating. It sounds like we're making some investments in the MSC to stay there in that footprint for a while longer.

Mr. Eggleston: Yes.

Council Member Berman: Got you. Didn't realize that. I think that's all the questions I have for now.

Mayor Burt: Council Member DuBois.

Council Member DuBois: You mentioned a \$49 billion number. Was that just Palo Alto?

Ms. Struve: No, that was the Bay Area.

Council Member DuBois: Do we know what the impact would be on Palo Alto?

Ms. Struve: No, but I'm sure we could calculate it.

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Council Member DuBois: I was just curious. Maybe later. For the levee planning, where did the 55 inches come from? I didn't really—sometimes you're talking about three feet, sometimes you're talking about 55 inches.

Ms. Struve: There are lots of different planning levels. The State of California has a different one for the Bay Area. Basically, what we're using is the BCDC planning level. Their jurisdiction is the shoreline and 100 feet in. Any project that is in the band has to meet their requirements. They asked projects on the shore to plan for 55 inches of sea level rise by 2100.

Mr. Bobel: Of course, that raises the obvious question, why is the SAFER project then not using this 55-inch figure? Why in the SAFER plan is three feet of sea level, 36 inches, being proposed? That sort of brings to focus this principle that I mentioned, that—actually two principles. One we haven't talked about tonight. Kirsten mentioned. One principle is that you should be ready for more change. The base of the levee would be designed so that it could be raised above 36 inches, but it's only now being designed for 36 inches. That's one principle, have engineering features that are flexible over time. The other principle is the design life of the facility. You could conclude that facilities should be designed just for the period of time of their engineering life. In the case of the SAFER project, as I understand it, it's being designed for 2050. The sea level rise projection is consistent with that 55 inches by the end of the century, 36 inches by 2050. That's another way of explaining the difference.

Council Member DuBois: I saw you had another policy about using the best science. That'll probably be a topic we'll discuss when this comes back in future projects.

Mr. Bobel: Right. You could say that, given this huge range of uncertainty, it actually makes sense to do things incrementally as long as you don't give up the ability to do something even stronger in the future.

Council Member DuBois: A question on the Army Corps of Engineers' shoreline study. Byxbee Island is shown in the drawing here. We've got Google and Facebook, I think, which are susceptible. Are companies like that involved? How can we escalate the priority in the north county if the Army Corps is focused south right now?

Ms. Struve: They are involved. Google, for example, is funding a study with the San Francisco Estuary Institute on resilience and shoreline issues. The South Bay shoreline study that the Army Corps did was prioritized as the whole area was split up into economic impact areas. They chose the one that had the highest economic impact to go first, and that was San Jose. Because there is a big treatment plant there as well and a lot of parcels that

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would be vulnerable and already are, they chose that first. The idea is still to do all of it eventually.

Mr. Teresi: I would add that I think we kind of have a parallel with what's happened on San Francisquito Creek. Initially, when the JPA was looking at solving that flood threat, they were looking to the Corps as the means of doing that. In time, it came to light that that process is so cumbersome and takes such a long time that the JPA instead adopted a local approach. That's sort of the same thing that's happening with respect to tidal flooding. We could wait for this South Bay shoreline study, but instead the JPA's vision is a more locally funded project called the SAFER project. Their vision is once we get to the point where we've identified what the best approach would be for providing that tidal flood protection, they would go out and do a ballot measure and do a self-funded tidal levee project. It's going to be of a magnitude that's going to be beyond the ability of any of the cities to fund on their own. If we wait for the Corps, that will probably result in a very long wait. The JPA's approach is to identify what's needed, find the locally acceptable alternative, and then self-fund by some kind of assessment or tax.

Council Member DuBois: Kind of a related question. Is anybody responsible for protecting Highway 101? It's kind of the same story, that it'll take so long for the State to do it, we need to do it locally.

Mr. Teresi: I don't think that approach would be successful.

Council Member DuBois: Will FEMA take into account—you said they didn't really consider sea level rise, so all of these plans would be considered when they look at their next generation of maps for houses west of 101.

Mr. Teresi: The thing with FEMA is FEMA's maps are not to identify ultimate levels of protection. They're done for flood insurance purposes, so it is then to identify the areas of current risk. Anything that we build would have to meet their standard. FEMA itself is not a levee building organization.

Council Member DuBois: That's what I was asking about, the insurance. On the SAFER Bay project, you mentioned that the permitting is a challenge. I'm just wondering if we should be considering policies to ask our State lobbyist to make that easier, particularly for ecotone-type levees.

Ms. Struve: The pilot that Ora Loma is working on took six years to permit and four months to build. Everyone was excited about it, so they're already thinking about what can be done to streamline that approach so that it doesn't take six years. We don't have that much time.

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Council Member DuBois: Is that a State-level issue?

Ms. Struve: It was a coordination issue, because it is technically filling the Bay. There are a lot of people involved when you try and fill the Bay, even if it's for a positive purpose in the end.

Mr. Bobel: Those are principally State agencies. I think your point is a good one. We'll look into—maybe there's some other people that are seriously considering State legislation. That's a good angle; we'll look into that.

Mayor Burt: There are Federal agencies as well. Vice Mayor Scharff.

Vice Mayor Scharff: Thanks. Just so that I understand. In mid-2016, we're going to get the SAFER Bay feasibility study, which is going to talk about the levee alignment. It's going to talk about basically what we need to do to bring those levees up three feet roughly, four feet. I guess that's what is going to tell us, right?

Mr. Teresi: If you recall that one slide, it's more like eight feet. Our existing levees are only at Elevation 10. In order to meet the FEMA standard with the freeboard and the future sea level rise, they would need to raise it to 18, so it's about right feet.

Vice Mayor Scharff: We'd raise the levees eight feet, and then we're going to build into that the ability to go higher, so we have that adaptability built into that. Then, we're going to use—in 2017 we're starting to fund where we're going to fund getting these levees fixed. Is that ...

Mr. Teresi: In 2017 in the CIP budget there's a new CIP that would provide funding for the actual design of those levees and the environmental assessment of those levees.

Vice Mayor Scharff: They would be shovel-ready so we could go and ask for grants and that kind of stuff. Is that basically the plan?

Mr. Teresi: As I mentioned before, I think the JPA plan is to self-fund it locally by some kind of a tax or assessment measure. Grants could probably help, but I doubt that we could get grants to cover the full cost. That would certainly be a factor that we would be looking for.

Vice Mayor Scharff: Going up eight or nine feet, what's the magnitude of cost? Do we have a sense of what that's going to be?

Mr. Teresi: I don't have the numbers yet, but I think we're talking hundreds of millions.

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Vice Mayor Scharff: That's what I was figuring. There's millions of dollars ...

Mr. Teresi: It's a large project, very large project.

Vice Mayor Scharff: In self-funding, is that hundreds of millions of dollars? I guess you'd do it over a fairly long period of time. Hundreds of millions of dollars to raise just out of this City is not that easy.

Mr. Teresi: It wouldn't just be Palo Alto. It would be a regional thing for Palo Alto, East Palo Alto, Menlo Park. It would probably be done through some kind of debt financing. I think the idea that the JPA has expressed in the past as to their strategy would be when they're talking to the public, would they rather continue to pay flood insurance, which is getting more and more costly, or would they rather see that money go towards a project that would over time eliminate that need for that flood insurance cost.

Vice Mayor Scharff: The FEMA flood map updates come out. What's the significance of that? Do we expect more to be in the FEMA or less?

Mr. Teresi: FEMA being FEMA, it's looking at the latest information as to the tidal risk. The elevation is going to go up slightly. It's not going to really address future rise, but it is going to go up slightly. That would cause the area to move more inland, so it would add more properties. Again, that's just being done for their flood insurance purposes. It's not a huge change, but it will see the addition of more properties in Palo Alto being in that tidal flood plain.

Vice Mayor Schmid: You're thinking Items 1 and 2 come back to us in the next couple of months, right? We're in mid-2016 roughly, so when are we thinking?

Mr. Bobel: On the FEMA map?

Vice Mayor Scharff: There's the FEMA maps and the SAFER Bay Study. When are they coming out?

Mr. Bobel: We, frankly, have been told for many months that the feasibility study was a couple of months away, quote/unquote. That's our story. It's a couple of months from now that we'd have the feasibility study and be coming back to you.

Mr. Teresi: I would just add that I spoke earlier today with Len Materman, the Executive Director of the JPA. I know that he's anxious to come and speak to the Council about the SAFER Study. Probably sometime shortly after your break that will happen.

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Vice Mayor Scharff: You've asked us about developing a City policy on sea level rise actions. I assume you want Items 1 and 2 before we do that, and that shouldn't be an issue if they're a couple of months away. Our next item is all about prioritizing what gets done. I know you have lots of time, Phil, so that's why you're just asking to do something new at the moment. Seriously, is this—when I read through the list of the item we're studying next, it dawned on me that we talk about a lot of stuff at Council. We spend a lot of time doing it, and then there's no Staff resources to do it. I saw all these items in red. I guess the question is should we be spending City time on this at this time to develop a City—do you have the bandwidth? Is it going to take away from other items you're not going to be able to do? When prioritizing, of course we should develop a City policy, but what does that mean we're not going to do if we develop a City policy? I guess I need to ask this question from everything from now on after looking at this list.

Mr. Bobel: As I understand it, you'll be doing more of that after this Study Session tonight. In short, it'll take away from other things.

Vice Mayor Scharff: What would it take away from? If we say we want you to do it, what would it take away from? I can't answer the question.

Mr. Bobel: We won't be able to have Joe retiring, for example, as he currently plans on doing.

Vice Mayor Scharff: Sorry, Joe.

Mr. Bobel: Just generally speaking, it would take away from the types of things Public Works already does, assuming Public Works is the lead. Although, Planning would be another ... It will take away from things. We're not making a strong recommendation that that be done. We're mostly reacting to the fact that as more and more we've brought various projects to you, you've been questioning how does sea level rise relate to a given project. Without some policy that kind of directs us, it's hard to answer your questions about what we're doing on a particular project. We could just say that the City response to sea level rise is the SAFER project and is ultimately some core additions to it, if that gets under way. That may be the best solution, to not divert us into looking at other avenues but just say, "We've got to protect our facilities. We've got a project under way that'll protect those facilities. It's going to be built in such a way that it can respond over time and be added to. That's sort of our policy." If that were the feedback we got from you, I'd say we don't need a policy. We've got actions under way; we know what we're doing. We don't want to be diverted onto looking at zoning issues and looking at building requirements. We have a strategy.

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Vice Mayor Scharff: That may very well be where I come out on that. It all really depends on what the diversion takes and what that means we won't do. I think it's really hard in a vacuum to answer that question. I also think your other question was should we protect and adapt. I think the answer to that is fairly easy. Depending on the circumstances, we should use all of the tools available to us in an appropriate manner, including ones where you allow flooding, which is part of the adapt. The flooding goes out, and it's all fine. I wanted to add on the ecotone that BCDC is spending a lot of time actually in their Bay fill working group to determine what legislation they're actually going to propose to allow them to issue permits to fill the Bay to create those ecotone things in a more expedited manner. I think a lot of really smart people are working on simplifying the regulatory process. BCDC clearly recognizes that it can't take six years to do these kind of permitting. What they want to do is to make sure they have a streamlined process so that we can adapt to rising tides. I think us waiting a little bit also may actually make all that come clearer, frankly, in the next year or two, in probably the next 24 months. I don't think it's a long wait, but I think it will actually provide a better toolbox to how to resolve this as a regional issue.

Mayor Burt: Council Member Filseth.

Council Member Filseth: Thanks very much. We talk a lot about protect and adapt. Do you foresee any role—we didn't talk about retreating at all. Do you foresee any role for that at all or is it sort of an all-or-nothing thing? If we're going to protect this stuff, then there's no point in anybody else moving away or doing "don't build over there" kind of things. Is that part of the mix or in practice is that not relevant?

Mr. Bobel: I think retreat is part of the mix in the long term view. We don't actually have to retreat from anything right now, so why would you do that right now? Twenty years from now ...

Council Member Filseth: The corollary is should you build over there or not. I think that's part of the retreat equation you're talking about, right?

Mr. Bobel: Mm-hmm. You mean build a new structure or something? Yeah, right. That'd be one reason for having some Zoning or Building Code requirements, to prevent any bigger problem than we already have.

Council Member Filseth: If we're going to protect something, we're probably not going to move the water treatment plant. If you're somewhere near the water treatment plant, is it irrelevant because it's going to be protected?

Mr. Bobel: You could certainly make that argument. We tried to find an example for you of retreating. We chose a couple of different City facilities,

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and the Managers of those facilities practically had a heart attack, so we don't have an example for you of where we might suggest retreating, with the possible exception of something like the new Boardwalk. Although we're designing and building a new Boardwalk, would it be the end of the world? Would we raise it up 20 feet? No, because that would be foolish. Who's going to walk out if it's under water. That is one example I can throw out to you where retreating as an ultimate strategy makes sense. We don't have to retreat right now, but neither would we design it such that it would work even with sea level rise.

Ms. Struve: One more thing to add. The alignments that you see in that map already retreat, the ranger station. There are several facilities that are outside of that bound, so retreat is definitely in play.

Council Member Filseth: It seems like there's a relationship between that issue and one which is going to be one of the very, very hardest challenges here. It's not just the cost per se, because I think we all assume it's going to be really, really expensive to deal with. Who's going to pay for it? It seems to me that needs to be part of a City policy on sea level rise, who's going to pay for it. If it's going to be people that are sort of in those locations as opposed to everybody else or whether it's Federal money or something like that, this is going to take decades and decades and decades to pay. If we're going to have assessment districts and, dare I say, levies for levees and so forth, it seems like that's got to be in place pretty soon, because it's going to take us a long time to pay for it.

Mayor Burt: Council Member Holman.

Council Member Holman: Thank you, and thank you for bringing this forward. A lot of the questions have been asked. I'll try to keep this fairly brief. Thank you, and Joe, you can't retire. We can vote on that, and I can tell you how the vote would come out, I'm pretty sure. The question has been asked about financial, blah, blah, blah. The ecotone, I think it was Slide 14 maybe. What's the run-up of that? I'm sure it can be done in different ways. Is it like a minimal quarter mile or what are we looking at?

Ms. Struve: It's generally a 30:1 slope, so it kind of depends on how high the levee needs to be. It just slopes out from there

Council Member Holman: We know how high the levee needs to be, right? I guess the more relevant question is, is there any place where this would be applicable in Palo Alto given we have sensitive habitat. It looks like this would be cool. Is there any place here that we could utilize this?

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Ms. Struve: The yellow line, the orange line near the airport, probably all along the landfill.

Council Member Holman: It could be. Maybe you can think of how much the run-up might be. How does this compare in cost to a more, let's just say, seawall kind of approach? Is there any comparison of cost?

Mr. Teresi: That part of the feasibility study isn't done yet, so I don't have the numbers. I would imagine it would cost less, but I don't know that at this point.

Ms. Struve: We have a report that was done on the levee that is being piloted. Levee cost per mile—there is a comparison, and a traditional levee is projected to cost more than a levee that has the horizontal slope. I believe that also includes the maintenance and upkeep.

Council Member Holman: It does include the maintenance?

Ms. Struve: I'm not sure; I haven't read the whole thing. Yes, I think so.

Council Member Holman: Protect, adapt and then retreat as well. Adapting as it relates to Building Codes, we obviously have a lot of neighborhoods that are in flood areas. As much as oftentimes we'd consider, I think, more strongly adapt, but in the neighborhoods we already have real significant impacts on the neighborhood itself because of the FEMA requirements now to elevate houses. That one gets to be pretty tricky, especially when you get into the neighborhoods. As far as the protect and retreat and adapt too, it would depend on what the use is. Say for instance, I can't imagine—I shouldn't say it that way. Is there any likelihood that Staff would think it would be a good idea to put housing in the Baylands area when we've got sea level rise in front of us? The reason I ask is because it's a question that comes up periodically. If we're talking about retreating and kinds of uses and protecting and that sort of thing, that's why I asked the question.

Mr. Bobel: That's one of the reasons we threw out this concept of a potential policy, to tackle issues like that. There's certainly a lot of agencies that have developed recommendations for us against putting more housing or more anything in these flood-prone areas. We've got that recommendation from others, and we could create that as a policy for ourselves, but we don't currently have it.

Council Member Holman: If you don't have people living in structures, then the need to adapt might not be as stringent or as strong a consideration. It's kind of on a grading system, I would think.

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Mr. Bobel: Definitely. Even within a given structure, there's different ways to approach. For example, you could have a structure, but it was okay to flood the first floor. You could put all the electrical stuff up above. You could have nothing that was actually used down below or just storage. There's different ways to handle that.

Council Member Holman: I'm going to ask just a—really I'm going to pretend this is a real naïve question, but just to get it out there. Because our levees were built prior to some standards being in place, is there any feasibility whatsoever or any benefit to retrofitting any of our levees? Is there any opportunity for that out there? Just to throw that out there.

Mr. Teresi: Part of the SAFER analysis has been—just recently they've done a whole series of geotechnical borings out in those existing levees to find out the answer to that question, to see if any of that is going to be able to salvaged as a foundation for a bigger levee or if it's going to have to be removed. The answer to that is forthcoming.

Council Member Holman: I think all the other questions I had have been asked. Thank you.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: Thank you very much for the presentation. You've probably heard me say it before, that I think the four biggest generational challenges for Palo Alto and really for the whole subregion and region are transportation, housing, economic inequality and sea level rise. The four of them, the more you look at each of them and in context of the others, the more you realize how much they interplay. The importance of collaborating regionally can't be overstated, but also the importance of collaborating across the City as an organization I don't think can be overstated. I think that having an overarching policy is very important. I think it is important that the entire City organization have as a standard matter of course a consideration of sea level rise when making any long-range decisions or making decisions that are going to have a long-range impact. From Public Works to Sustainability to our Public Safety Departments to Planning, obviously the airport, Parks and Rec, everybody should be on the same page. That raises the question of if we are going to put together a policy, what's the best avenue to make sure that that happens. I absolutely share Vice Mayor Scharff's concern about if we do this, what other projects get dropped off of our work plan. This is so important, I'm not willing to drop this one. We're talking about an existential threat to large parts of Palo Alto and essentially irreplaceable or mission critical utilities equipment and other infrastructure. A question to

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think about—we're obviously not giving direction or anything. Something to think about is do we have or do we need a full-time Staff person dedicated to study of sea level rise and working across departments and working across the regional organizations to be our point person who wakes up every day with cognitive priority on what am I going to do today to protect Palo Alto for the next 50-100 years on sea level rise, and/or do we need an equivalent of IBRC. Do we need to have a blue ribbon commission to put together, at least the beginning of, a real, thoughtful, comprehensive approach to how we are going to handle this? I do agree that adaptation, protection and, where appropriate, possibly strategic retreat may all be important. Again, as a couple of other people have mentioned, it really does depend on the circumstance. None of us are going to be prepared to make that decision on our own. I do fear each department or people working within various departments, each kind of doing it ad hoc. I think we need a more coordinated effort again. On payment, I very much agree with Council Member Filseth that we're talking about 50-100 years of impact. We're talking about possibly raising money over the next several decades to pay for something that's going to have several decades of impact, so we should start thinking now about what kind of funding mechanisms we're going to use for anything that's going to require raising substantial funds. When it does come to—if we do start looking at things like retreating, we're going to need to think about basically preemptive triage. If things get really bad, if things happen faster or higher than we are prepared to adapt or protect, then what are our lowest priorities and what are our highest priorities? I'm not going to call out a lot right now. I will say that I saw in the Staff Report should we consider great expense to protect the golf course. If it's as part of a levee system where it makes sense to do it there anyway and the golf course is part of that inclusion and we can use the golf course itself as part of the protection, great. I don't think we want to spend tens of millions of dollars just to protect the golf course if we don't get some ancillary benefits from it. That's, again, the kind of thing we're going to have to make some tough decisions about. I do think that it really is, again, about using all of those tools where appropriate. It is about doing the adaptation and the protection, because levees fail. They can. Human structures can fail, and we could be wrong. Obviously you've emphasized there is a very wide range of predictions about how high and how fast sea level rise will occur. We should be very careful not to put ourselves in greater danger as Council Member Filseth pointed out. I just want to come back to this point about the ecotones. I want to confirm I heard from Staff that currently it's considered fill, so it's tough to get the permits. I heard from Vice Mayor Scharff that BCDC is working on what kind of legislation to promote—I would guess that would be up in Sacramento—in order to make sure that we could pursue something like that. Here again is where having a guiding policy and Staff members for whom this is a priority is useful, so we can make sure

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whenever we're talking with our lobbyists, when we're talking with our State representatives and working across partner agencies in the regions we can have a united message saying that we support that and here's why it's important.

Mr. Bobel: While you're thinking, I'll just say that our Chief Sustainability Officer, Gil, wanted you to know that a number of cities have created a position along the lines of what you were describing earlier, a resiliency person.

Council Member Wolbach: Just a couple of other things to throw out for consideration. I think it was mentioned in the Staff Report it was Alviso where the first floor, as you mentioned, is designated as a floodable area, essentially, in flood zones. That's something we should consider. We do need to start thinking about, as far as adaptation, areas that are in potentially flooded areas in the future, especially where we have single-story overlays and we have height restrictions, how do we square that with a first floor that needs to be floodable and you don't want people sleeping in and you don't want the critical components on. That might mean some tough discussions, but we're not talking about the next couple of years here; we're talking about 50-100 years down the line. We need to be ready for that long-range thinking.

Mayor Burt: I just have a couple of questions and follow up. First, under the SAFER program, we have a 36-inch levee increase. Is that 36 inches plus freeboard and we don't have existing freeboard? Is that the case?

Mr. Bobel: Yes. It wouldn't just be our existing levee plus three feet, which would only be, say, 13 feet. I believe the 16—is it 18? That example we showed in that slide is sort of the SAFER project with 18 feet, with all those different things stacked one on top of another.

Mayor Burt: It's about a 4 1/2-foot increase over our current levee height?

Mr. Bobel: No, our current levee height is 10. Let's find the slide. Current levee height is more like 10. In some places we don't actually even achieve 10, 9-something. This would be 18, so it would be eight feet higher. This slide showed all the various components of that 18 feet.

Mayor Burt: Thanks. I think just the notion of whether to do a State and local-driven and funded project, I think, is the right way to go about it in all likelihood. We might not even get a complete core study by 2050. As much as that elicits mirth, it's not far from the truth. I want to return to this question of the economic impact onto properties at risk. I think we really do want to know that. It's not our only consideration, but it's certainly a big

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one. When we look at, even at a policy level, what we want to do, it's going to be dependent to a good degree on what it is we're trying to protect and the economic value of it as well as other less tangible values that we may place on it. I would like to encourage our Staff to get a first-level cut of the economic threat to properties that are there with a recognition that the first cut is not going to be the precise one. Joe.

Mr. Teresi: I believe at this point that the Santa Clara Valley Water District is doing exactly that countywide. Just doing kind of a big-picture assessment of what are the potential damages.

Mayor Burt: They'll break it down by ...

Mr. Teresi: City by city.

Mayor Burt: Finally, on this question of whether we should be pursuing a policy, presumably once we have a policy, then we could consider zoning changes and other actions that would come out of a policy. I think going forward in the nearer term on the policy is the right thing to do. It doesn't mean that we drop everything to do that, but this is a big, important issue. The longer we wait, the longer it may be that we made some wrong decisions or that we just went about things in the existing approach when if we had adopted the policy sooner, we might have taken different actions. I think it's just a wise thing to do. I assume that developing policy recommendations is not an enormous project; whereas, a lot of the implementation does get large.

Mr. Bobel: I think we could control it by sort of taking it in layers or steps, having a general policy first but not doing a lot of research behind it, and then getting reaction from Council. If more research was needed, then maybe we need to hire a consultant to help with that research. We could take a first cut without doing research, without spending a ton of Staff time, frankly, and just see what the appetite was for considering these things. If there was the appetite for it, we may have to get cost estimates from a consultant.

Mayor Burt: Whenever you might come back with that first cut at a policy, is that when we'd go into a deeper discussion of these issues that you identified on Slide 15, in the context of that policy?

Mr. Bobel: That seems logical.

Mayor Burt: We've all spoken around a circle, and you haven't heard one voice. I think we need to give Staff a little bit of guidance on what we'd like to see next. We're already a half hour overdue. Let me just put out there,

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is there an interest in having our Staff come back with something along the lines of what Phil just described, which would be an initial cut at policy without having to engage a consultant team to do so and then we have a next discussion at that time.

Male: Are we going to see the results of the SAFER study? I'd like to see that (inaudible).

Mayor Burt: We will receive that. Let's talk about what the sequencing would be. I don't know whether the SAFER study would necessarily drive policy decision differently from (crosstalk).

Mr. Bobel: It will give you a lot more information. It'll give you some example costs for certain things. It'll give you a firm recommendation on these heights. We're just sort of still telling you what we expect. You'll have more firm information about what we get protected and to what degree, to what level of confidence.

Mayor Burt: Would it then make sense to wait until we get the SAFER study before making a request on the policy and let the SAFER study inform that?

Mr. Bobel: I think that would make sense. Plus, from Staff workload perspective, we might find information in that thing which we could use to, as you say, inform.

Mayor Burt: Let me just see whether that seems like a reasonable approach. Nodding heads, okay. That's a consensus. Thank you very much. We have one member of the public who wishes to speak. Keith Bennett, welcome. You have up to three minutes to speak.

Keith Bennett: I heard discussion on retreat and what are things to do. I think some low-hanging fruit is to realize that the FEMA flood zones are likely to be redrawn. Putting residential basements in areas that are likely to become flood zones just seems like it's adding to risk. I would like to recall that the Ninth Ward in New Orleans was protected by a levee, but the levee failed. I just think that has very little return for a lot of risk. There are a couple of other issues that haven't been brought up. When the sea level rises, the water table under our City will also rise, left to its own devices. If we don't maintain the fresh water table at a high enough level, we will increase saltwater intrusion. That may be a risk that we want to accept, but it's a risk that should be acknowledged. Saltwater did come into the City until 1970, when we were pumping the deeper aquifer. A final point is that basements that are in the soils block the flow of groundwater. The new storm drain policies encouraging draining not to our storm drains but draining to the soils is fine and good. The assumption is that the soils

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actually can carry that water to the Bay and out of the way in a reasonable timeframe. When you build 50 percent or 60 percent and you block it with basements, they're essentially dams in the underground aquifer. It's not negligible. If someone does a calculation, you'll find out that it actually is not negligible where the groundwater table is high. Those are my comments.

Mayor Burt: Thank you. That concludes Item Number 1 for tonight.

Oral Communications

Mayor Burt: We now move on to Oral Communication for any items not on the Agenda. We have four speakers, and each speaker will have up to three minutes to speak. Our first speaker is William Brenegar. Welcome.

William Brenegar: First, I want to tell you I've enjoyed the meetings tonight, even though we've got some far-fetched things and everything. We do have a problem that we need to address. We can address it pretty rapidly. We have a situation within our Police Department that for some reason they pick out certain groups of people to harass and other groups they don't bother. I'll give you an example. If you go to Alma, you go to El Camino, over here to University, Hamilton, it's a drag strip if you're a Maserati or you're a Ferrari. You run your engine and you go just as fast as you can. If you see a guy in a Toyota, he's going to get pulled over. I'm not worried about them speeding as much as what they can do. When they run over a kid, when they run over a tourist, all the good work that has been done in the past will be thrown away. We have some good policemen; I'm not saying they're all bad. We've got a few that need a personality change. They are not Gestapo; we are American citizens. We need to be treated like American citizens. I want to complement our Fire Department. They've saved my life plenty of times. I had a bad heart. That organization, every time I've seen them operate, they do a good job. With the police, it's kind of luck of the draw what are you going to get, who's going to respond to your call if they respond to a call. I'm going to give you one example. Two years ago there was a gentleman, he was a veteran, he fell over here in this park between Bryant and Ramona. He fell at 9:00 at night; everybody's supposed to be out of the park, I think, at 10:00 or 10:30. He waved, trying to get the police to stop; they wouldn't stop. Rode up on him the next morning, what's the matter? I think I broke my hip. We called 911. There happened to be a little policeman in between the firehouse and where we were at. He rolled up and said, "Joe, what are you doing over there?" The guy's name wasn't Joe; it was Gary. Gary had broke his hip. We tried to explain to him that this was not Joe. Here comes the Fire Department. They roll up, and they're coming across the park. This policeman is running

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toward them, saying, "This guy, I know him. He's a drunk." Blah, blah, blah. The captain and the firemen walked right over there. Sure enough, he had a broke hip. What if we had just backed off? Thank you.

Mayor Burt: Thank you. Our next speaker is Ken Horowitz, to be followed by Steve Eittreim.

Ken Horowitz: Good evening. Ken Horowitz. I just want to share with you a couple of events that I attended last week and very proud of our City for doing so. On Wednesday, Project Safety Net met, and we had a discussion about suicide. As part of our presentation, we heard from Vic Ojakian; what a remarkable man he is, and the good work that he and his wife, Mary, are doing in regard to suicide. I didn't know if you knew, but the largest group of suicide victims—I won't call them victims—is actually seniors over the age of 80. They're the largest group of suicide people. Of course, we have quite a large number of seniors here. Unfortunately, they don't get much attention. The other event that I attended was on Friday. A group of marchers came from Santa Cruz, talking about vets. I got one of the T-shirts from them. It's called Journey for Change. They met over there at El Camino Park. Chief Burns was there, and Janice Fetson [phonetic] was there as well, and a number of the police officers and firemen were there as well. Suicides among our vets are very high. In fact, there's a suicide almost every hour, 24 suicides per day among our vets. This is Mental Health Month. Also, we had Memorial Day yesterday. As I said, I'm very proud of our City for hosting these two events. Thank you for time.

Mayor Burt: Thank you. Our next speaker is Steve Eittreim. Welcome. Final speaker is Sea Reddy.

Steve Eittreim: My name is Steve Eittreim, and I'm a resident of Palo Alto. I have three wonderful grandchildren who also live in Palo Alto, a few blocks from me. I think it's because of those grandchildren that I've become a climate warrior or a fossil fuel resistor, you might say. I have been trying to work as much as I can to try and move us along the path from fossil fuels to renewables. I think we're not moving fast enough. Four hundred parts per million carbon dioxide in the atmosphere today. We know what that's going to mean. It's shooting up rapidly, and it's not going to be a good world for my grandkids. I want to thank you, the City Council of the City of Palo Alto, for being a leader in getting us through this transition. Again, we're not getting through the transition fast enough. That's what I worry. There's one more thing that I think you could do that I want to make a pitch for. That is to require warning labels on gas pumps about the facts of pumping gas. When we pump a gallon of gas, we put 20 pounds of carbon dioxide in the air, 20 pounds. When I mention that to people, they're often surprised

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and shocked. I think we need to remind people of that fact. That would be equivalent to about one pound every mile that we drive. Can you imagine if we threw out a pound of our home garbage every mile we drove? Just throw it out the window. That would be a problem. We could fix the problem with road sweepers and so forth. We could fix it a lot easier than we're going to be able to fix the CO2 going into the atmosphere. We need to move faster than the Paris accords are pushing us, the Pope is pushing us. We're going in the right direction, but we're not moving fast enough. Berkeley and San Francisco have come up with an ordinance to require that of the filling stations in their towns. North Vancouver has already done it in BC. I would think that we could take the ordinances that Berkeley and San Francisco have already drafted. It's a 14-page document. A lot of legal thinking went into putting it together, I guess. I don't know why we couldn't just take that and use it without an awful lot of additional work. Although, I admit to being very naïve in how things get done in the City of this type. That's simply my pitch. I think if we did it, my grandchildren will thank you for it greatly. Thanks.

Mayor Burt: Thank you. Our final speaker is Sea Reddy. Welcome.

Sea Reddy: I want to take this opportunity to congratulate the students that are graduating tomorrow. As well, I want to thank the City Council as well as the officers that are going to support the Bernie Sanders event. I'm not a Bernie Sanders fan, but I think it's great for democracy. I think that's what we live for in the United States, to hear different perspectives. I hope you use restraint and friendliness. I urge the citizens to be friendlier to the visitors. We want to look like we are the nicest people in the town, in the area. Back to what you're talking about, the sea level rise. I think there's one commonality in all this. The world is changing. You have earthquakes. You have meteoroids. We have unknown things, fracking elements. All this require us to respond. What is the policy? I think the policy needs to be one simple thing, save people, people's lives. Warn people ahead of time, not when it happens or just before it happens. I think it's unwise to have housing, affordable housing and all that, on the east side of the freeway. We need to figure out another way to do affordable housing. Just because you don't have money, you don't want to kill them (inaudible) from now. I hope we can consider all these things in the elements. It does require more staffing, but I think it requires wise planning. That's all I say. Thank you.

Mayor Burt: Thank you.

Action Items

At this time Council heard Agenda Item Numbers 2 and 3 concurrently.

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2. Second Quarter Review of Council Priorities for 2016 and Discussion and Potential Direction to Staff on the 2016 Staff Work Plan, Including Process Recommendations to Prioritize Work and Achieve Results.
3. Council Member Discussion on Future Issues and Concerns With a Special Focus on the Second Half of 2016, With Potential Direction to Staff.

Mayor Burt: We're now going to move on to the balance of our Agenda. We have three items, but Items Number 2 and 3 actually interplay with each other a great deal. Two is focused on reviewing the existing Council Priorities in the context of the work plan that we have from Staff. This work plan, just to clarify, is only the work plan elements that relate to the four Council Priorities of infrastructure, Built Environment, Healthy Community and the Comprehensive Plan. Item 3 is about any future issues and concerns that we'd want to have a special focus on in 2016. It seems like it would be not too productive to go through and prioritize the work plan and then go on to Item 3 and throw out the work plan. I'd suggest that we merge Items 2 and 3 for discussion purposes. If everybody's okay with that, shall we proceed? Mr. Keene, did you want to kick things off?

James Keene, City Manager: Sure. Thank you, Mr. Mayor, Council Members. We're still finding our way, I think, on these Committee of the Whole meetings. Our sense on the Staff was that it's partly to get out of the Council Chambers, have the Council be able to sit around and take up some maybe cross-cutting issues at times. We had a Study Session on sea level rise that we could have had during a Council meeting. This portion of it happens to be focused on the work plan. It's a follow-up to the Council Retreat, that you have at the start of each year and where you set your Priorities. I think some of the Council Members noticed that some members of our public might have misinterpreted the purpose for this meeting in sort of sending emails to the Council about what your Priorities should be. You've already established the four Priorities for this year. This is really focusing on how we get the work done that you most want to see accomplished in 2016. We look at this from the Staff point of view, being a conversation at times, I think, between the Council. We have for the most part most of the Directors from the Executive Leadership Team are here to be able to speak in more depth to some of the Council projects that we have. If you get at some point, Mr. Mayor, where we don't feel that's as necessary, I certainly would let folks be dismissed, who aren't essential to being here. I did want to make sure we had everybody available here to ensure that you had the most fruitful conversation you possibly could have. A couple of things. We sent the Council—on Friday, I think, the Clerk's Office got out to you a copy of the Council work plan as it was generally

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established at your Retreat at the end of January or early February. You will notice that, of course, we added a couple of columns here. At your Retreat, you'd actually gone up and done some ranking very quickly at that time of how you saw the projects. I think six or maybe seven is the most that you could get on a number, but we reflected that in the work plan. We also added just a little section where we could put a little bit of information about impacts of the budget on the financial side or the resource side or staffing on our ability to complete projects. There is a simple green/yellow/red coding system on here that, in a sense, tries to at least as of where we are right now, here, almost through the second quarter of the year, where we are as far as being on target for being able to accomplish the project as you identified it and identifying that as green. Yellow, as you would think, just like with the traffic light is caution; there is some questions involved. Red in particular, in one sense, where we're not able to really make progress at this point in time and move ahead. There can be various factors for that. It could be very much the fact that from the very get-go, even we identified them back in January we hadn't really done an assessment as to whether or not those projects would be able to be completed even as we identified them. That's partly reflected here. In some cases, key Staff who are involved or would be necessary to support the project have left the organization. Just in Hillary's department, in Planning and Community Environment, for example, we've had Jessica Sullivan leave, the lead in Planning. We've lost different Transportation Staff. We lost Jeremy Dennis who was the lead in Advance Planning on the Comp Plan. It's pretty hard to stay on schedule, particularly as thin as we are in the support side. I'll make that point a little more explicitly. These are organized by departments or office. The idea being, for the most part, there are tradeoffs within a department supporting something. It's easier to assess the impact of moving things around, I think, by looking at it this way. We did print out some other ones that have sorted this based on Council ranking at the Retreat of the projects. The Clerk's Office has those. If you're interested in having those, we can go ahead and pass those out. We did supply two memorandums from the Planning Director to me. There are more projects on the Council Priority project list, under your four Priorities, in Planning than in any other department. One related to the Eichler-specific guidelines directive that you issued recently. The other related to housing issues or housing options that came up in the Council meeting a couple of months ago. Partly as just an illustration of the fact that, as we make changes during the course of a year, our ability to respond to them may be much less than the Council is thinking at the time you're taking the action or it may argue for the need to be able to reprioritize some things that are on the work plan that we may need Council direction for you to say this is much more important than something else. The thinking here today is to do a little bit of that today. More importantly is to make sure we have the right

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sense of where your priorities are. You may issue us directives at the end of this meeting that we'll come back to. We either come back to the Council in regular session or we'll provide you a report about how we move things around. Our thinking wasn't that you could necessarily move everything around that you wanted to move. If you would indulge me, I have ten quick slides that just sort of reconnect you with the way we structured this at the Retreat and to report to you on our progress. Our progress is pretty typical of our progress in the organization. We've done a lot, but a whole lot less than we'd want to have achieved by this point in time. That's because we have so much stuff that our times demand, that our community demands and our Staff capacity to do that. If you'll remember, I showed you a framework for how we were going to develop a work planning process by the Leadership Team to be able to focus on the work that we have. As you can see, I'm responding to Council Member Wolbach's request that we incorporate sea level rise into all of our thinking. I very quickly added the fact that the ever-present iceberg metaphor we use for identifying the work obviously has some correlations to the challenges of sea level rise. Again, this just tries to show that the majority—you get most of the work that you want to accomplish through your Staff. We have about 1,100 full-time Staff people; most of them are doing work in what we call "the below the waterline" part of core service work, making sure that the trash is picked up, trimming the trees, doing police patrol, emergency response, making sure the sewage is being treated and that sort of thing. The things that occupy the Council so much of the time are these "above the water line" priority projects, in this case around your four Priorities. We also have a bunch of Executive Leadership Team priorities that would fall into those categories, that are outside of your four Priority areas or they might be of a slightly different magnitude. You'll remember again that we talked about identifying the Council Priorities and the Executive Leadership Team (ELT) priorities as above the water line. Our focus today with you is really focused on the Council Priorities as the Mayor said, not on any of these other details. The reality of what it takes for us to get the work done or what is really happening in the City can't be in the same way we were talking about sea level rise as having regional implications or different systems aspects to the design solutions. Running a City, serving the community, working on the strategic priorities that you're interested in is all part of an ecosystem that involves above the water line work and then all of this core work, again, that we also talk about below the waterline as the areas of teamwork, which means we actually have to be managing and coordinating and building relationships and communicating. So much of our work is in this area of service, again the routine work that we do as a community but also responding to the community. Actually the fact that we do need to renew. We've got to learn. We've got to train as any business or other organization would. We do need to have some time to actually spend a little bit of time

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in what Stephen Covey and others would say quadrant two is actually thinking about things that are not urgent but that are important. The fact of the matter is that there's a lot of stress in our organization on our ability to reconcile both these hot issues of the day and our need to respond. If you recall at the last Retreat, I told you that we were going to start to look at identifying the Staff people who actually have to work and support the projects that you have on your work list here. I just give you an example here of the Public Works Department. These are actually the individuals and the people that Mike and his team identified who might do any bit of work related to Council initiatives or projects. We have gone through this for every office in every department. There happen to be 23, I think, on that chart right there. Mike has I don't know how many employees, but well over 100 employees in Public Works, most of whom then are doing other things. The really important thing to remember is we went through and counted all of the people who are actually working one way or another on different Council projects and initiatives, but many of them might work five percent of their time. Other people might work 50, 60 percent of their time on Council projects. When we added them up, when I quickly added them up today, they came out to 32 FTEs. We have 32 Full-Time Equivalent people who are capable of working and supporting what it is that we want to do. It puts in pretty stark relief, one, the impact if we have a couple of vacancies in key places that can really impact folks. Even when we leverage other capacity by bringing in consultants, who are not counted in here, there really is a lot of project management work and consultant contract management that goes on and takes place. That sort of brings us to this. Not only do we have a certain supply of people, in the same way that ultimately at the very top, the Council wants to be involved and have oversight and influence decisions. Actually along the way up through the organization, that has to happen also. Therefore, even if you have 32 FTEs, if they have to have the City Attorney's review or they have to have my review in some way, suddenly we're skinning a lot of our capacity down to five people or so. Here's the real truth. We don't have enough oversight by some of us key folks, because there's so much work and we're pushing work out. Work will come to the Council that hasn't maybe had all the review that we want or we're working on a lot of projects and we're not managing as well as we can, which of course provides fertile ground for the Auditor to be able to go out and then do audits about how we could be doing a better job. This is sort of the facts of where we are and what we have to work with. Really trying to get really much more efficient and focused. I'm just here to report to you. Other folks can corroborate it. We just need to get better at prioritizing and managing those priorities. Just as examples of items that have come up this year that are new. We worked some of them into your report. The airplane noise issue, obviously at the Retreat, you all heard from the public and said, "We need to build that in." That certainly has grown a lot over the past couple of

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months even from there. We've got this transportation tax initiative, again, that has just been an emergent, pop-up issue. We've got that in this work plan here. I thought it was interesting just listening to the sea level rise discussion. We don't have sea level rise pulled out at all as a project here. You could say it's embedded under the Sustainability and Climate Action Plan (S/CAP), but then this really underestimates how much is potentially involved in the S/CAP, because there can be 30 different key initiatives. At any one point, the Council or anybody in the community can say, "Where's our Electric Vehicle (EV) deployment piece? What are we really doing on mobility as a service?" You can see even all of these things have minimal detail. There are almost 100 priority projects on the ELT priority list. I just put some in here, just grabbed some from other departments, really kind of without any thought, just going down the list alphabetically. You can see things in each of our departments that are also under way, in most cases by the same people who are involved in supporting the Council work or certainly are involved in managing the organization. For example, you can see some comprehensive management studies, for example, or reorganizations there that are part of the day-to-day managing, but they're actually a special project. As we all know, managing any operation requires constant daily work; it's not just strategic work. We've got 100 projects there. Again, most of the work is there below the waterline. Most of the work is here. We're not focused on this, but at some point in time in the future we do want to be able to talk with the Council about the fact that I think we do a great job in service, in being highly responsive, but we need to be able to put more attention and time to this area of teamwork, of planning and coordinating and on this area of renewal and more investment in training and that sort of thing. Some thoughts again on the to-do list today, as the Mayor was suggesting, we review and assess the Council Priority work plan. Are there project adjustments that we need to discuss? Are there some process improvements that we could identify that might help us down the road? I have a couple of ideas when the time is right for us to think about some of those things. I mentioned to one of the Council Members; on the way in here we happened to be talking about it. We've gotten so much better. We used to do the Priorities, and then we didn't really have a work plan. We started doing the work plan, and now we're getting to the point where—the Mayor was very directive to me that we really needed to have a Committee of the Whole meeting before the end of this second quarter and the Council goes on break to begin to talk about this. We are getting a lot better about being transparent, informing the Council, letting you prioritize. The fact is, in my view, we've got to get ultimately on a quarterly basis at least where we're really reprogramming and reassessing, so we're really clear that we're absolutely working in the best possible way. We need to make sure that we're not burning out our resources, which we could have a tendency to do, since we're very, very

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ambitious and we have an amazing work plan. That's just trying to reorient you. I would turn it back to you, Mr. Mayor. The City Attorney was around somewhere.

Mayor Burt: Before we begin, the one other context is we have before us this list of Priorities and status report. We have Council Retreat rankings which they were informative and valuable, maybe not definitive. We all went up and did stickies and that had value. I'm not sure that it should be taken as rigid directives based on stickies. It was our best effort at trying to give a sense of what we thought were highest importance projects. Can we talk a little bit about our input tonight, how we could do that in a way that would be informative. We have the second half of what was agendized as Item 3 which is any other items of special focus. That's one thing that we can wade into. Within the existing projects, are you looking for us to give any update on our sense of prioritization? How would you like us to respond to what you've provided us?

Mr. Keene: Thank you, Mr. Mayor. First of all, again, this is a snapshot in time. This is where we are right now. We could be in a situation in the next quarter where there's either more red or there's some red things that have moved to yellow or green if we've gotten somebody on board. It's important that the Council's aware of where we are. Secondly, you may look at some things that are on here and say—my view for the most part would be if something is green, you can kind of say, "We're on track. That looks pretty good." The real need to pay attention there is if there's something that's red or yellow that you somehow want to relook at. It may mean that we'd have to trade off something potentially that's in the green area. The other thing separate from this, that I think is worthwhile, the two memos that I asked Hillary to write to me. They're a little bit like mini case studies of saying—this is actually the fact. The Priorities you adopted in January and the scope of what they are, those in and of themselves was enough work for us to be as busy as bees for the whole rest of this year. The challenge becomes that—let's just take on the Eichler-specific guidelines. Understandably so in response to a challenge in one of our neighborhoods to kind of go beyond what the track we were on as far as managing some of these overlays and expanding the scope of them. I think it's important for us to realize that there are costs to those decisions. I don't mean costs necessarily as a negative thing, but just a realistic thing. Additionally, on March 21st, you guys had a big conversation with some important surfacing of issues around housing that you asked us to come back to. We're partly using this as a way to come back. When you look at the work plan—some of the Staff who are here who are responsible can chime in here. I might invite, with the Mayor's okay, if we get into individual department stuff, to have the Director come up here and sit with me. You'll see some of these items related to the

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housing side, for example, are listed as red, which basically could say for us, in a lot of ways, we're not in a position to do anything or much of anything. It's important that you know that. You had an important discussion. It's also important that we're able to—this in many ways is just a question of clarity and prioritizing and discipline. Thanks.

Mayor Burt: On that note, who would like to kick things off? Council Member DuBois.

Council Member DuBois: I just really have a comment on process for our discussion. As we talk about maybe priorities of various projects, it's extremely difficult to compare one department to another department. It seems like it's really departmentally driven. I strongly suggest that we take this on maybe department by department. I think the Planning Department has the most overload, so I'd suggest we start there as part of the process.

Mayor Burt: We could go to the other end, which is get the easiest stuff first.

Mr. Keene: (inaudible) let those people leave.

Mayor Burt: How does that sound as a way to take a cut at it? I'd suggest we go with ...

Vice Mayor Scharff: (inaudible) going to have a round for department? Is that the plan? We could be here all night. Maybe not; I don't know. Is that the question?

Mr. Keene: I think if there was a way that I could orient you to it, you could—I think most of this could go pretty quickly.

Mayor Burt: Council Member Holman.

Council Member Holman: Could I suggest—I very much support the notion of doing this by department, because you can't just compare apples and oranges. With the Mayor's permission, if we start with Libraries, for instance, I'd just like to throw a Motion out there to get us started. I think we can dispatch a couple of these pretty quickly. On Libraries, that's Items 22 and 23. Monique is here as Staff. They're both indicated as green. That's on Page 7 of the spreadsheets. The first item is Library bike outreach. That project is expected to be done by this summer. The second item is expected to be completed next year ...

Mayor Burt: Let me do something—suggest something else on process that's a variation of this. If you take for that example, I'm not sure that we

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need to discuss it at all. They're not highest priorities. They're green meaning they're going forward. We don't need to endorse each of these. I think we should be wading in on things that we see an issue with or want to reprioritize. Even if it was done fairly expeditiously, if we went through each and every one of these and have motions, that's unnecessary probably.

Council Member Holman: If I could follow up on that. I just think it would be—I appreciate the comment. At the same time, I think it just provides clarity for Staff and confirms what the Staff direction is. Hopefully we don't all need to speak to it. It could just be a motion and quickly dispatched on these things that are already green.

Mayor Burt: Let me ask the City Manager. Does Staff need that?

Mr. Keene: I would really respectfully suggest that this is an area of process improvement we could start practicing. There is no need to talk about things that are on track and that are okay. Honestly, it'd be very easy for our Staff to get the sense that, if we look to be on track and we're there, we don't need discussion about it. I think the idea of an exception or some particular questions or concern is what you have. In many ways, the color system was also a bit in our way trying to raise issues for you. When we coded them green, we basically felt like we know what we're doing, we're going to go ahead and proceed with it. You guys don't need to get in the details.

Mayor Burt: You're basically asking us to focus on yellow and red and whether we need to wade in on any of those things?

Mr. Keene: Yes, but I would say this. Let's go back to this departmental capacity issue. When we get into those, there very well may be some projects that are in green that you would suddenly say, "We do need to rethink that." We may be willing to say what would it take to put that project on hold and shift some of that capacity over to that area. That may not be as easy as it sounds, but I think that would be one area if there's something in the green.

Council Member Holman: Clarification then for both the Mayor and City Manager. If we don't then say to both the Library projects, "Bless you, my child," how does Monique know that she can depart?

Mayor Burt: Her boss tells her.

Mr. Keene: Council could.

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Council Member Holman: At what stage? We have to bring it up in order for you to know that.

Mr. Keene: I think if you would accept that green is on track, as if we hadn't even reported to you in the first place, Monique would be working on all of these things. I think it's great for the Staff if you guys want to go, "Keep up the good work." That would be good. With all due respect, we don't need as much management from the Council on these projects. We need the policy direction about what's important to you. As a matter of fact, that's another issue we should—I know you're not talking about that. We don't need to get into those details.

Council Member Holman: If there are some green ones that we do want to talk about, again how does particular Staff know that they can say goodbye?

Mayor Burt: That's different, I think, from what we were starting to do, which is to take on all the items. Council Member Wolbach.

Council Member Wolbach: Just a process suggestion. I appreciate what Council Member Holman is trying to do, so that Staff who is not going to be needed throughout this discussion could depart and get to the rest of their evening. Perhaps the Mayor could just ask, especially for the Library where there is just a couple of items, does anyone on the Council have anything to discuss there. See a bunch of shaking heads, and then we could just move on without need for a formal motion.

Mayor Burt: Right.

Mr. Keene. You don't need motions.

Mayor Burt: To discuss doesn't mean that we have to talk on everything unless we really want to change something. Council Member DuBois.

Council Member DuBois: In the spirit of doing the easiest ones quickest, I'd suggest we don't need to talk about the Library things. I also didn't see anything in Community Services. If everybody agrees, we could let them go home. I thought the priorities were correct.

Mayor Burt: It's a little hard to immediately find each department.

Mr. Keene: Community Services starts on Page 2 and runs through page (inaudible).

Mayor Burt: I see it. Does anybody have any issues or things that they specifically want to raise on either Libraries or Community Services? Council Member Wolbach.

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Council Member Wolbach: First off, not with Libraries. I do have a concern with homelessness being coded yellow and wanted to hear Staff chime in on homelessness and what it would take to move that from yellow to green. I think that's extremely important for our community.

Rob de Geus, Community Services Director: Good evening, Mayor and Council Members. Rob de Geus, Community Services. The reason we left that one as yellow and not green is a couple of reasons. One, we have one Staff member, Minka van der Zwaag, overseeing the Office of Human Services. She's spread pretty thin. The second is that homelessness is a really massive problem, a big problem not only here in Palo Alto but regionally. Solutions are difficult to find. We're doing some things this year, and we've passed some resolutions, or the Council has, in support of some County work. We have a recommendation in the budget to continue our partnership with the County where the City provides case management funding and the County provides housing vouchers. Is it truly enough to address the issue? Have to say no, not really. What the solution is, is difficult. It's not as easy as just more Staff or more money. We don't have a full answer on that one.

Mr. Keene: Just as a process issue to it. It may be that we could have a parking lot like we do in the Finance Committee with the budget on identifying some issues. You can put them over there. We wouldn't have to discuss them tonight. I would say on homelessness, Rob's exactly right. It's a huge issue. How much of it is—what is the role the City plays in it? How would the Council reach agreement about what the scope of that role would be? What is it that we could do that would have the right return on investment? There's a lot of mushy—this isn't a straight quid pro quo kind of thing. We're kind of doing what we can, in a way. If you want to do more than that, then that's a bigger kind of discussion sometime. We've got to figure out how you would have that.

Council Member Wolbach: Responding to that Staff comment, I'd be fine with just flagging this and saying either at the end of this meeting we put into a motion or just say for now it's in something akin to the Finance parking lot for future discussion. I do think it's important and worth revisiting though we don't have time for a deep dive tonight.

Mayor Burt: Why don't we start somewhat of an informal parking lot of issues? We'll put the Number 10—one sec. Council Member Filseth.

Council Member Filseth: In the spirit of this process, if we take something and, for want of a better term, upgrade it from red to yellow or yellow to

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green, do we then have to propose something that goes from green to yellow and yellow to red?

Mayor Burt: I think once we have a parking lot and discuss it, it would potentially be in that context. I think the green, yellow and red are actually more status as opposed to priority. Yes, that's part of when we look at how we framed the Agenda. I think it even alluded to that sort of prioritization. If we cull certain things out for additional attention, then we're going to have to struggle with tradeoffs.

Mr. Keene: I think culling is a good way to think. Let's do a pass, get as many things out, put them aside or whatever or be done with them, and then you may do another pass. Move this from 86 things to consider to 10.

Mayor Burt: Council Member Kniss.

Council Member Kniss: All things considered, however, there are 80 items. It's going to take a while to get through these. I really think that if we're going to bring something up, it ought to have some way to take something else off. You've been really clear there isn't enough Staff to accomplish all that's here. We have a budget that is strained this year, to say the least. We're talking about priorities, and I think we need, as a Council, to be able to prioritize. I agree, Cory, the aspect of homeless is tough, but it would mean something else would come off. I don't think we've got enough resources to just stretch it and say, "Regardless, we want you to continue on with this."

Mayor Burt: Let's just say that's the concept of the parking lot. When we have those items for discussion, as Council Member Filseth pointed out, it will in all likelihood mean that we have to look at tradeoffs. If we want to elevate something, something else probably would go down. Council Member DuBois.

Council Member DuBois: When we get there, I might suggest that there's another dimension, which is the completeness or quality level that we target. Moving things along, I would just like to suggest some more people to let go home. You could do these one at a time. I'm pretty good with IT, Fire, Police and Development Services.

Mayor Burt: Let's reference pages too, so that ...

Council Member DuBois: If you want to do them one at a time, those four groups I'd suggest.

Mr. Keene: Can I interrupt?

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Mayor Burt: Yeah.

Mr. Keene: Did we finish with Community Services?

Female: No.

Vice Mayor Scharff: No.

Mr. Keene: Could we do that first?

Male: Yeah.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: We're doing Community Services. I guess I wanted to know why (inaudible) Park was yellow. I didn't quite understand it when it said budgeted, which means good, and not fully resourced. The hydrology study is taking longer than expected to begin (crosstalk).

Mayor Burt: (crosstalk) 14.

Vice Mayor Scharff: Yes, Number 14. Maybe you could just sort of give us an update.

Mr. de Geus: That's a good question, Council Member Scharff. It is moving forward, and you'll have something in front of you for a contract to do the hydrology study for Buckeye Creek. It's just we would have liked to get it to you 6 months earlier. Staff from Public Works and Community Services Department (CSD) have just had to prioritize other CIPs ahead of this one.

Vice Mayor Scharff: I think this might be a useful moment for me to just understand. The fact that we made something yellow doesn't mean it's not moving forward. In this case it just means it's moving forward slower than Staff would have liked.

Mr. de Geus: That's correct.

Vice Mayor Scharff: If I asked you what it would take to make it green, the answer is really nothing because you're moving it forward. Is that fair?

Mr. de Geus: We are moving it forward. If we were really concerned about it and we wanted to really speed it up, we might then look at slowing down another CIP so Staff can work a little more on this one.

Vice Mayor Scharff: What other CIPs would you slow down to do this? If I said to you ...

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Mr. de Geus: We'd have to look at it.

Vice Mayor Scharff: It's 7.7 acres. I'd like to see that eventually be opened to the public, and I'm concerned it could take forever.

Mr. de Geus: There's a lot of CIPs we would look at. I'd say for this one, Council Member Scharff, you're right it is moving forward. We finally do have the RFP done, and we've selected a vendor to do the study. The next step is the study needs to be done. There isn't a whole lot we can do to speed it up right now. As soon as the study's done, then we can evaluate what the options are for the use of that 7.7 acres, go to Parks and Rec Commission, and back to Council as quickly as we can.

Vice Mayor Scharff: What I'm really hearing is that there's nothing we really need to do to speed this up. Is that fair?

Mr. de Geus: Right now that is fair, yes.

Vice Mayor Scharff: Thanks.

Mr. Keene: I might add that different folks might have colored these a little bit differently. We may get in another situation where yellow actually means it is held up more.

Mayor Burt: We'll accept that the color coding is approximate. Council Member Holman.

Council Member Holman: Can I get some clarity on Number 8 on page 2, the Baylands Comprehensive Conservation Plan. I'm not sure I understand the genesis of this and how it relates to the Baylands Master Plan. I'm a little perplexed.

Mr. de Geus: The Baylands Comprehensive Conservation Plan is really about how to manage the different species that live out in the Baylands, the endangered species, the animals and so on. That is not in the Baylands Master Plan. Effective, responsible management of open space is to have a Comprehensive Conservation Plan for the open space property. We don't have that for the Baylands or for Foothills Park, which we'll be recommending at some point in the future too. It's fairly expensive to do, somewhere in the \$300,000 range. It's not a high priority necessarily against all of the other CIPs. I know that we're trying to balance the CIP budget, so there's been some discussion that this one may need to be held off for a little while.

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Council Member Holman: Not to get into the weeds on this, just one quick question about this. Will this be integrated into the Master Plan or are we going to have yet another standalone document?

Mr. de Geus: It will be integrated into the Master Plan.

Council Member Holman: Thank you.

Mayor Burt: Anyone else on CSD projects?

Mr. de Geus: I'll be next door at the Parks and Rec Commission meeting, if something does come up.

Mayor Burt: Say hi for us. Council Member DuBois, you had several others. Fire has only one item, so that seems like that—unless anybody has any issues on that.

Council Member Holman: Page?

Mayor Burt: That is Item 19. Am I correct that that's the only one? Yeah. It's (crosstalk).

Vice Mayor Scharff: I have a question. The reason I'm asking this now is because we want to let the Fire Chief go. The Fire Chief, you've come to us several times and talked about transitioning on some of these things to non-sworn personnel. Is that a program that you're working on? If not, why is that not on here?

Eric Nickel, Fire Chief: Good evening. Eric Nickel, Fire Chief. These were Council priorities that were identified by the Council back in January. While we've been working on this internally between Fire and the Development Center, I guess I can't tell you why it didn't end up on here. It certainly doesn't mean we're not working on it. I just wasn't aware at the time that it was a Council priority.

Vice Mayor Scharff: Is it green, red or yellow? Where are you on it? That's really the question.

Mr. Nickel: Both myself and the Development Center Director have had preliminary discussions. Understand that we have—those positions are currently filled by sworn personnel. The plan, as we have preliminarily talked about it, is that as those people retire—we have several members that are close to or at retirement age—that would be the opportunity to replace those with non-sworn positions. One of the things that we're trying to do with some of the positions—related back to those of you on the Finance Committee who heard me talk about the fire alarm problem that we

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have here in town. We have a very significant fire alarm problem. We've identified an option. Instead of sending a three-person fire engine to a fire alarm, the low-risk fire alarms, we would send one fire inspector in a pickup truck during the daylight hours, because 99.99 percent of these alarms are false, unwanted or unwarranted. We would like to keep some sworn positions to do that, because that frees up our apparatus to run higher acuity calls. There's lots of different pieces at play here. I guess if you were to pin me down, red, green or yellow, I'd probably say yellow right now. This is probably something that we can accomplish not in the next 12 months. As people retire in 12-24 months, that would be the opportunity to replace those with non-sworn positions.

Vice Mayor Scharff: Just briefly. In my mind, there's a difference between actually replacing those people as they retire and having the policy in place so everyone knows that's where it moves to. How soon do you think you'll be able to get that in place?

Mr. Nickel: There's clearly meet-and-confer issues there and things that we need to work through with our union. Probably 12-24 months is realistic.

Vice Mayor Scharff: Fair enough. I think that's a realistic number. Thanks.

Mr. Keene: Mr. Mayor, if I could just put in perspective the Council priorities. That doesn't always mean that what's listed in the Council priorities is the most important thing going on in that area. For example, already this year and continuing, you could say for the Fire Chief that labor negotiations with the firefighters union that we concluded and the ongoing negotiations over the Stanford Fire Services contract is one of the bigger things that we've got going on. That's in the ELT work plan. Thanks.

Mayor Burt: Council Member DuBois.

Council Member DuBois: If we're done with Fire, I think the Police Chief was here. Do you think he's left?

Mayor Burt: I want to wrap up Fire. Thanks Chief. Are you saying you wanted to go into Public Safety?

Council Member DuBois: He was here, but I think we're done. I think he's left anyway. I didn't think we had any issues for him.

Mayor Burt: Let me just ... What page? Are there items?

Council Member DuBois: No.

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Mayor Burt: I didn't even see him. (inaudible) Public Safety. I'm just questioning whether we had any Council items that were related.

Council Member Wolbach: Actually there's one.

Mayor Burt: What is that?

Council Member Schmid: Seven is listed as Police.

Council Member Wolbach: Also, 61 is Police Department (PD) and Office of Emergency Services (OES). That's means restrictions.

Mayor Burt: We've got the Public Safety Building.

Mr. Keene: I think we can handle Animal Shelter, 7. What was the other one? I heard the Police, but the other number.

Council Member Wolbach: Sixty-one is Police Department and OES, means restrictions.

Mr. Keene: I can speak to that also. We're on the team, when the time comes.

Mayor Burt: Council Member DuBois, did you ...

Council Member DuBois: Continuing on Page 6 which is where Fire was. The IT items, I think, are both green.

Mayor Burt: Does anybody have any IT-related issues they want to raise?

Council Member Holman: Does that mean we're done with Police?

Mayor Burt: Actually ...

Council Member Holman: I wasn't.

Mayor Burt: Let me just say that the Police-related matters, the City Manager said that those, I think, three that we identified, we could contend with outside of Police. We actually skipped over Police. Let me do IT first, and then give you an opportunity on Police since we're now on the IT. I don't want to go back and forth. Anyone have anything on IT that they want to raise? That one's resolved. Council Member Holman, you had something on Police.

Mr. Keene: Jonathan, (inaudible).

Council Member Holman: Is Dennis around? Do we want Dennis here?

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Mayor Burt: Pardon me?

Mr. Keene: On what subjects?

Council Member Holman: I don't have the numbers exactly in front of me, which ones are Police. I know Animal Shelter is one, but I don't know that that's Dennis.

Mr. Keene: We can handle that.

Council Member Holman: There he is. Animal Shelter, if we can find that somewhere. Number 7. That's a yellow.

Council Mayor Burt: I think our Chief has been feeling the burn.

Mr. Keene: Better than the Fire Chief.

Council Member Holman: Cash is here as well. The Animal Shelter is yellow. Can Staff give a little bit of an update of why that is yellow as opposed to green? I know the Request for Proposal (RFP) was just reissued and responded to a second time. I thought we were moving forward. I know yellow doesn't mean we're not moving forward, but can you explain why it's yellow as opposed to green?

Mr. Keene: I think the main reason—Dennis can chime in if he wants—is there's still some uncertainty. We put out an RFP. We had three respondents. Ultimately we got down to one viable respondent. We're both in the process of negotiations of whether or not we can successfully conclude a contract at the right price with the right objectives and level of service that the Council was interested in when we went down this road. We can't definitely speak to where we'll be on that right now. That's why we thought it was important to put a little caution flag up.

Mayor Burt: That's as much an uncertainty yellow as it is a timing yellow.

Mr. Keene: That's correct.

Female: Maybe we should have had an orange yellow (inaudible).

Council Member Holman: Yellow in this case is not a de-prioritization.

Mr. Keene: No.

Council Member Holman: It's just that you still have some details to work out with the one respondent that was selected as the best respondent.

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Mr. Keene: We don't have a Staff capacity issue or ability on the timeline. It's whether or not we can meet the goal as we establish it that's uncertain. There are different meanings to some of these.

Council Member Holman: Glad it's not a Staff capacity issue. What were the other numbers that involved Police?

Mr. Keene: The means restrictions on ...

Council Member Holman: What number was that?

Mr. Keene: ... 61.

Mayor Burt: And the Public Safety Building itself which is as much ..

Council Member Holman: There was another one.

Mayor Burt: ... a Public Works project.

Council Member Holman: There was another one too about Middlefield traffic. Wasn't that Police also?

Mayor Burt: I don't know. Do you have issues with those?

Council Member Holman: Means restriction, just a little bit of description please about why yellow. I think when the ones are yellow, it's just helpful to have a little bit more flesh on the bones about what's going on.

Mr. Keene: I would say the main reason that we colored this yellow is that—of course, when we're talking about means restriction here, we're really talking about minimizing access to the railroad tracks. Number 1, we still have fencing work we want to achieve with Caltrain that requires our ability to kind of negotiate with them and get them on our schedule. That's uncertain. It's not like we're in complete control of our ability to deliver on a time table. Secondly, we have the intrusion detection system, which is the technology. We've got a pilot under way that, I think, Dennis can speak to better. My understanding is it's testing out to be giving us some good signals and data about the effectiveness of being able to use technology. That's not complete. Third, the funding for the intrusion detection system and the status of funding and actually the efficacy of the pluses and minuses of the Track Watch guard program itself isn't exactly something that—partly we're making a value judgment here too by categorizing it as yellow. Do you know what I mean? None of these are complete or the absolutely ideal solutions. There are some subsequent decisions we're going to have to make. We'll be bringing funding decisions to the Council in Fiscal Year '17, some of which we have in the budget and some of which we don't.

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Mayor Burt: Can I jump in on the fencing issue? First, it says fencing not budgeted. Is that by Caltrain or by us or both?

Mr. Keene: By both.

Mayor Burt: Is that because we don't know what our portion of that budget would be?

Mr. Keene: That's correct.

Mayor Burt: We're willing to prioritize the budgeting of fencing once we know our proportion?

Mr. Keene: That's been our approach.

Mayor Burt: The second question is—we had had an issue where Caltrain, when we were first negotiating to get fencing on the east side of the tracks, had argued back that there was no need for fencing on the opposite side because their fencing approach had always been to fence one side of the tracks because their purpose of fencing was to prevent crossing of the tracks. They were applying that to this different purpose, which is to keep parties off the tracks. Despite how just superficially specious that argument is, it has remained. I want to know are they still making that argument.

Mr. Keene: They are not making that argument. I think they've accepted our position. We've been really hard-headed and relentless about it. I think the issue is just one of their process.

Mayor Burt: I hadn't heard they had accepted that position. That was a concern. Thanks. Any other Police-related?

Council Member DuBois: Middlefield's at the end, if you were looking for that.

Mayor Burt: Council Member DuBois.

Council Member DuBois: I'm sorry. I was trying to help Council Member Holman there.

Council Member Holman: It doesn't list Police Department. If that's a study, maybe it doesn't involve Police.

Ed Shikada, Assistant City Manager: I could speak to that. Actually Hillary had suggested putting this on the list, recognizing the Council's interest in recent constituent communications on the topic. To your point, it is a study, and there are a few parallel action items that are coming forward, including

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the Finance Committee's budget recommendations and use of a transportation contingency. That will be coming forward to the full Council shortly.

Council Member Holman: Thank you.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: (inaudible) Public Works, but the department support is Police. Should I bring it up now?

Mayor Burt: Mm-hmm. Wait. Let's just make sure are we done with Middlefield.

Vice Mayor Scharff: I want to raise the issue on the smoking ban. I was very surprised to see it just says Staff time ...

Mayor Burt: (inaudible) each case, let's (crosstalk).

Vice Mayor Scharff: This would be Number 66. This says Public Works is the lead agency, and then we have department support of Police Department. My recollection is that we've had several meetings of the Policy and Services Committee over a two year period. We did outreach; we did surveys. The surveys came back that a lot of people really would prefer to have smoking outlawed in multifamily. I thought where we left it, frankly, was that we were going to basically get an ordinance drafted, and it was going to come to Council. I'm not sure what more needs to be done, frankly, than an ordinance drafted. There's a lot of ordinances out there; I don't think that's what's holding it up, and I don't think it's the City Attorney. The question is—at that meeting, if I recall, we actually had discussions that the Police Department had concerns about enforcement. We said we understand that, we don't expect rigorous enforcement necessarily, but this allows the owners of the complexes, this allows the governing boards of the condominium complexes to have these discussions. We expected an ordinance to come. I don't really know; it just says Staff time.

Mike Sartor, Public Works Director: Mike Sartor, Public Works Director. Good evening, Mayor Burt and Council. This particular item, we have essentially stopped work primarily due to Staff. We don't have Staff on it. You're correct it was brought up at Policy and Services. I know the Police Department had some concerns about enforcement. At this point, without any other explanation, we have just stopped working on this particular item.

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Vice Mayor Scharff: I don't understand what you mean you don't have Staff. It's basically the City Attorney just needs to draft the ordinance. What do you need Staff to do?

Mr. Sartor: At this point, if the City Attorney is ready to move forward on an ordinance, we can support that.

Vice Mayor Scharff: I don't think the City Attorney's been ...

Mayor Burt: Let's find out what is really the hold up.

Mr. Keene: Just as a prelude, the Staff who have been working on this from Public Works side are the same Staff who have been working on the sea level rise issue, who have been working on the recycled water issue. It just happens to be who they are. Whether or not they're necessary or not is a different issue. From Mike's point of view, those folks have been on these other things.

Mayor Burt: I guess it's a question of are next steps in the hands of Public Works or City Attorney's Office.

Molly Stump, City Attorney: Thank you. Molly Stump, City Attorney. We had a changeover in our Staff person on this project as well. I will need to go back and check. As I recall, there were several different policy items under this topic, including some cooperative work with the County, which I understand is moving slowly and is dependent on the County. There was a multifamily piece where the Council had perhaps directed some regulation. I will go back and check as to whether it's simply a drafting item, in which case we can move that forward. Usually on a complex regulatory matter like this, where we're impacting third-party behavior, we don't work in isolation on the eighth floor. We work very closely with our partners, our subject matter experts and certainly our folks who would need to do administration and enforcement so that we make sure we draft something that's effective. We will need to draw on Staff, but we can circle back and get you more information about our ability to move forward on that.

Vice Mayor Scharff: I'd like to put that in the parking lot. What I'd like to do is just see how we can move this forward.

Mr. Sartor: I'd just like to add, as Molly just mentioned, we are working with the County on the licensing issue for tobacco. That is going slower than we had expected. In fact, in talking with Phil Bobel about this this afternoon, about whether it should be red or yellow, it could have been yellow, recognizing that the licensing piece of this is moving forward. It's

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the multifamily ordinance that we have actually stopped in Public Works working on.

Mayor Burt: I've got it in the parking lot discussion. Council Member Kniss.

Council Member Kniss: I don't care about this going in the parking lot. While we're on the page and dealing with golf course configuration, I see the current budget is (crosstalk).

Mayor Burt: Wait just a sec. We're wrapping up Police. We're not on anything on a page.

Council Member Kniss: Sorry. I got excited.

Mayor Burt: It was because smoking ban had a PD under department support. Are we done with Police Department stuff? Thank you, Chief. Council Member DuBois, what was the next department?

Council Member DuBois: I'm just keeping track of departments here. I think Development Services, which should be easy.

Mayor Burt: Where are we?

Council Member DuBois: Page 5.

Mayor Burt: Does anyone have any issues they want to raise on Development Services? It's just those three items on page 5 that are the only ones listed, unless there's something not listed. Council Member Wolbach.

Council Member Wolbach: On the seismically vulnerable building ordinance, Item 16, if Staff wanted to give us just a real quick update. I saw it's yellow and just want to give Staff a chance to weigh in very briefly on that. I'm not sure it needs to move to the parking lot, but I just wanted to hear maybe some reassurance from Staff.

Peter Pirnejad, Development Services Director: A recap of where we are. We had a little bit of an issue getting started through the RFQ/RFP process; that slowed us down a few months. Once we got the contracts on board, we started straight away. We're not too far off. We still expect to make significant progress this calendar year. If not by the end, first part of next calendar year we should be wrapping this up.

Council Member Wolbach: Thanks.

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Mayor Burt: Thank you. Anything else on Development Services? Thank you, Peter. We're good. Council Member DuBois, did you have a next department to suggest?

Council Member DuBois: Yeah. Actually I would suggest Administrative Services Department (ASD). They kind of support a lot of things, but I'm not sure if they need to hang around.

Mayor Burt: Let's see. They're listed under the Post Office. You're looking at support as opposed to ASD-led projects. I guess that brings up are we wanting any department that's supporting something to stay as long as one of their item's unresolved or are we really looking at the lead department being able to answer our ...

Council Member Kniss: Let's look to the lead department.

Vice Mayor Scharff: Shouldn't Lalo stay? He's the only person that can answer financial stuff. I hate to keep him, but no one else can answer those questions.

Mayor Burt: The Warriors aren't playing tonight, so you've got nothing to do.

Vice Mayor Scharff: Do you want to (crosstalk) ASD now or not? I have some questions on the Post Office.

Mayor Burt: Let's go ahead and go with ASD.

Vice Mayor Scharff: My question, Lalo, really was on the Post Office in terms of where we're going in terms of you said you were going to develop a funding strategy. How long do you think that'll take? Are you also going to tell us if we buy the Post Office, what we're not going to be able to do? Is that going to impact our Infrastructure Plan or do we have the money available? Are you going to have all that stuff together when you come to Council?

Lalo Perez, Administrative Services Director: Yes, all of the above. The idea is to give you options on funding plans. Some you won't like; some you'll prefer. You'll have a menu to choose from. The good thing is that if we move within a reasonable time, depending on the Fed movement, the interest rates are still attractive. It depends on level of negotiations that we would take. I would hope that it's not too prolonged. As you know, we've been doing this for three years. Some of it is not in our control, but the funding mechanisms and plans are. We could always have that discussion, and we're preparing for that. We had a meeting today, as a matter of fact,

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to try to figure out how to minimize the impacts. One of the biggest concerns that we had was that if we do successfully acquire it, we would have to use existing dollars that are being reserved for other projects, such as the Public Safety Building for example, and then immediately within a couple of months turn around and finance that project. We would have to repay ourselves so we can keep our other projects going. One of the things we found out today was that we don't anticipate the construction being lined up to be able to finance it in the first round. We can do what is called capitalized interest, meaning that we would defer any payment of debt service of the bonds until we actually go live and occupy it. The issue there is that you're borrowing to not pay, if I can say it. It adds to your costs. I think the issues that we're going to have are what we don't know for the building. It is a historic building, so we know we have to have the preservation. Once we get in there and start doing some additional work, what will we find? We'll have an RFP out; we'll have bids, but it's kind of a big unknown too. It's going to be something that we're going to have to adjust as we go. It's going to be a two-step process most likely, right now, from what it looks like. The initial acquisition with some soft costs, then a second round where we have actual construction.

Vice Mayor Scharff: When do you see coming to Council? Before we sign any contract with the Post Office?

Mr. Perez: At this point, probably not before your break. There's still issues to be resolved. If we're successful, hopefully soon after your break.

Vice Mayor Scharff: After that at some point, we'd come with some ...

Mr. Perez: We would come to you in a public forum with the recommendations and the actual agreements, if we get to that point of purchase, and then funding options for you to give us guidance.

Vice Mayor Scharff: I'd like to see the funding options if at all possible before the agreement comes, so we can understand that and that can inform it.

Mr. Keene: They will sort of unfold together; they'll mutually inform each other. I think clearly it's a legitimate request. The Post Office has accepted our basic offer. We are negotiating the details. It will have to come back to the Council for the actual approval of the purchase contract. You will want to know the implications.

Vice Mayor Scharff: That's the point. It could be embarrassing in that if the funding options aren't there, you might vote against the agreement. At which point, we wouldn't have an agreement. It would be better to have a

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sense of what those funding options are and what that looks like, so you don't just have an agreement that comes forward without—and we vote against it as opposed to having a sense of what the funding options are.

Mr. Perez: I think there's always a way to make it work. It's a matter of prioritizing what you want as a Council and community. I think there's going to be enough options where you can even reduce some of the costs. It's a matter of prioritizing or using certain types of vehicles that are available to you. We're going to try to lay all of that out for you, so that you have that available. If we do multi-step, we might have to push things out a little bit. That's the only concern, the only hesitation. As the City Manager said, right now it's aligning where we could probably do both at the same time. If you want to do it separately, then we would need to work that into the schedule.

Vice Mayor Scharff: Thanks.

Mayor Burt: Council Member Holman.

Council Member Holman: Good questions by Council Member Scharff. Just to make sure that we all have the full context, it would be good for the Council to know, not now, to understand what the issues are that you're trying to work through, but also to know not only what the funding options are but what the financial implications to the positive that we've talked about would also be. It all needs to be in context.

Mr. Perez: Very well understood.

Mayor Burt: Next, what did you have, Tom?

Council Member DuBois: Another short one is Utilities, which is on 19 and 20. I actually had a question on Number 84.

Mayor Burt: Go ahead.

Council Member DuBois: We got an information report. My understanding was—correct me if I'm wrong—that the interconnect through Mountain View looked like a lot cheaper and faster, but it looks like we're going through Stanford. I kind of have a broader question which will apply to others. I'd also like to know specifics on this one. Is this a case where we're taking on more work and more budget than necessary? Why are we pursuing this option if there's an easier option? Maybe there's very good reasons we're doing that.

Mr. Shikada: Wearing my hat as Interim Utilities Director. The current conversations involving SLAC and Stanford University do have the potential

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to yield a scenario in which Stanford University would invest in the line with SLAC. We have been working with Stanford to identify the viability of that option for them. Part of the attraction of that approach for Stanford University involves how they would then be able to serve their tenants both at the University as well as the Research Park. The question of how the rates apply in that situation is a relatively complex question and one that they're still evaluating. We do have the possibility that the SLAC line is both a viable and desirable approach. We want to let that play out.

Council Member Dubois: This isn't a staffing challenge at all, and it's not a City budget issue. If it was going to hit the City budget, then we'd look at the alternative through Mountain View?

Mr. Shikada: Based on the discussions to date, we wanted to allow Stanford the opportunity to reach its own conclusion as to the level of investment that would make sense for them before we decided that that was not viable and then move on to the Mountain View approach. In conversations that I had with Val Fong before she retired, it was her opinion that it wouldn't make sense for us to pursue both at the same time because of the time and both Staff resources that would be involved as well as potentially duplication in terms of the effort we would be requesting from the other agencies. On that basis, we did want to let the Stanford University scenario play out first.

Mr. Keene: Can I just add something to that? If I understand Council Member DuBois' concern, we are continuing to pursue the Stanford option because it could be cost effective. There may be capitalization of the costs by them. It's really a question of the externalities that go along with that that we're working through. The default, as Ed said, would be to default back to the Mountain View option.

Council Member Schmid: I guess just from an economic perspective, while you're dealing with Stanford, it is good to have concrete alternatives in mind. Do you know enough about the economics of the Mountain View option to make a critical decision there?

Mr. Shikada: I believe we do. In general the capital costs associated with doing the tie directly with Pacific Gas and Electric (PG&E) would require or would involve spreading all the costs among its rate base. There would be sufficient spreading that it does make economic sense for us to pursue it. Again, it's a tradeoff of a single capital expenditure versus one that is going to be spread among many users. I think we have enough costs and who pays information available. The question is whether and to what extent Stanford University will be willing to invest its own funds.

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Mayor Burt: Any other Utilities items? Ed, that doesn't mean you get to go home. Put on your next hat. What department next, Tom?

Council Member DuBois: We're starting to get into the big ones now. I think Public Works on Page 15.

Council Member Holman: Could I just suggest that we do Planning before Public Works?

Council Member DuBois: Planning is the largest.

Council Member Holman: I know. Hillary always has to wait until the last dog is dead. If we could give her a little priority some time, that would be really ...

Council Member Kniss: I agree with Karen. It may go faster than you think.

Mayor Burt: Let's go Public Works. Who has Public Works items? We're on Page 15, and it carries over to Page 19. Pardon me?

Council Member Wolbach: (inaudible)

Mayor Burt: We don't need to talk about the things we do have. Let's just go on the ones we need to ...

Vice Mayor Scharff: I'd like to talk about the golf course reconfiguration. That would be Item Number 72. I realize why it's in yellow, and I realize it's still hung up on the permits. I just want to make sure we're correct on that.

Mr. Sartor: That's correct. We're close but not quite there.

Vice Mayor Scharff: One of my concerns on this is that we started the project without the permits and messed up the golf course, so to speak. I understand why that happened. We don't need to rehash all that. My concern is when I read that the current budget is not adequate to award the construction contract. I guess I'm concerned about once we get those permits, what are we going to do? Are we planning on upping the budget? What are we thinking about?

Mr. Keene: We have two issues. Even if we had the permits right now, the bids that we've received, which just came in last week, are significantly above the estimate that we have. That's one problem, in how we value engineer and negotiate a better contract and how long that holds for. Your question, I heard, could be what happens if we're not in a position to be able to move in a timely enough fashion, and what happens to the future costs of the golf course.

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Vice Mayor Scharff: My thought is this. I think we have to put the golf course back. We sort of broke it. You walk into the store and you break it, it's yours. We bought it, unless we're going to abandon the golf course, which would be a huge decision to do. I think what I'm really saying is that if we think the bids are high because we have the wrong people bidding, that's one thing. If we think that over the passage of time the costs have just increased, we now need to find the money and put it aside to do the golf course. I think it only gets worse if we let it sit there. I think we need to make that a priority to fund the golf course and get this fixed. When you say we're close to getting the permits, that makes me think within 6 months. That's what that means; maybe I'm misunderstanding.

Mr. Sartor: I'm thinking more like 1-2 months. Another piece of information. We are negotiating with the low-bidding contractor right now. When we bring the contract to you for award, we will also be bringing forward a deductive change order along with that to reduce the bid amount. That doesn't bring it back to the original estimate, but it gets us closer to a funding strategy that we're working closely with Lalo and Community Services on. We anticipate bringing that package forward to you, I believe, right before break, June 20th. We'll have that before you at that Council meeting.

Vice Mayor Scharff: That's really (inaudible) my question. Do I need to put it in the parking lot? I want to see it green. I think it has to be green.

Mr. Keene: You're going to get it on the 20th.

Mr. Sartor: It's coming forward on the 20th. The only reason we put it yellow were some of those things that were ...

Mayor Burt: Got held up. Council Member Kniss.

Council Member Kniss: Just under the golf course, Number 73. This says delay due to funding capital fund budget constraints and Staff workloads with Post Office prioritization. Did we make the Post Office our priority?

Mayor Burt: That's Ventura, not the golf course.

Council Member Kniss: I'm sorry. No, I said just under the golf course. I brought up the golf course before. I'm trying to see did we say we can't do Ventura as long as we do the Post Office.

Mr. Sartor: What we're saying is that the Ventura project is still moving forward. It's yellow; it's not red. It's just not ...

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Council Member Kniss: It's a delay.

Mr. Sartor: ... as high a priority as some of the other projects that we are devoting our Staff resources too.

Council Member Kniss: When you're saying delays tonight, as we have on several things, does a delay mean weeks or months or years?

Mr. Sartor: Weeks to months. It's still on our program.

Council Member Kniss: It's still on the list?

Mr. Sartor: Yes. It has not been dropped.

Council Member Kniss: Thanks.

Mayor Burt: Council Member Schmid.

Council Member Schmid: Number 63, dewatering, it's yellow and it has impact on budget none. My understanding of that was there was some dispute about the alluvial fan of studies done by the Santa Clara Valley Water District and studies done under BAWSCA'S San Mateo plain, both dealing with the San Francisquito Creek and having different perceptions of the relationship between groundwater and the deep aquifer. I thought Staff was studying looking at this, but it is not included. What you have here is just what we have for next season. What has happened to this longer-term issue?

Mr. Sartor: As you might recall, the dewatering issue was actually broken into three pieces. The first piece was adding additional restrictions to basement dewatering as a pilot for this current construction season. We are now doing that. We're still evaluating how effective that work is. The groundwater basin study will be part of the third group of activities that we'll be looking at. We're currently working with the Santa Clara Valley Water District on a project to actually do that study, and that's down the road. You're correct we did not address that specific work item in this list of priorities, but that is on our work list.

Council Member Schmid: Is that included as the yellow, that it is waiting action rather than under ...

Mr. Sartor: I would say it's actually green, because it's still in our plan to proceed. As you might recall, it was a later phase of the dewatering issue.

Council Member Schmid: I guess I would like to see that as a green. Does it need to be in the parking lot?

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Mr. Sartor: (crosstalk) add that to the description.

Mr. Keene: I think we need to remember that most of the whole Group 3 was never really fully committed to. It was almost, from a policy perspective, put in a parking lot for us to need to deal with. We're in the process of responding. We put it yellow, because we don't have, again, sole control over the schedule and the process itself. It also involves the Water District.

Council Member Schmid: Yes, but it is our priority.

Mayor Burt: Council Member DuBois.

Council Member DuBois: In general I wanted to say that in Public Works I largely agreed with your relative priorities, even the yellows and reds. Obviously there's some differences of opinions on some items. Looking at the tradeoffs you had to make, obviously we want everything. If the tradeoff was not working on the smoking ban, I actually think given this list that was the right tradeoff. We can't put everything into the parking lot and make it all go green in general. The two items that for me personally, again, the golf course. The longer it takes, the more it costs us. I just think we need to accelerate it however we can. The other one's the Baylands Interpretive Center. I'd also like to see that one get done. Again, that's yellow, waiting for permits. If we can push on those two. Generally, I wanted to say I largely agreed with the tradeoffs.

Mayor Burt: Council Member Holman.

Council Member Holman: I agree with the last statements and also with the statements that Council Member Schmid was making about the dewatering too, and better understanding of the environmental consequences of even capturing some water that is being pumped out. I'd like to see that. I know this doesn't mean it's not being worked on, but some of that aspect, you said it's already being worked on, should be green. It'd be great if we saw that sooner than later.

Mayor Burt: I would say that there are some projects that we could have a project number and then an "A" and a "B" that would help clarify it.

Mr. Keene: Why don't we just put this as a parking lot? We'll schedule an update, even if it's an information update, as to where we are. There are things within this item in the third bucket or whatever we call it, which we're actually not in a position to move ahead on at all now, and others that we are. We need to be able to report to you on that.

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Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: If I recollect, those items in the third bucket, we shouldn't be moving forward on. We're supposed to be doing a pilot. We're moving forward on the pilot. I think the confusion is that it should have been green, because you're doing what you're supposed to do. You're not slowing up what you're not supposed to do. You shouldn't be out doing the third bucket of items right now. That would be against Council policy. I think we're moving forward in exactly the right way, because that's what we voted to do.

Mayor Burt: I think that's a fair point. We need to make sure that in this prioritization process we don't slip between—if the Council has taken an action that we try to use this as a way to revisit what was actually a majority action by the Council. I'm not sure that it's appropriate to have this dewatering in the parking lot. Council gave direction; it sounds that the things that we asked to be done are on schedule. The things that we said were on hold are on hold.

Mr. Sartor: I would be fine with showing this green. We actually showed it yellow because the pilot is a pilot. We're still evaluating how successful those actions are. You're correct in saying that we have implemented the restrictions that you directed us to do.

Ms. Stump: I'd just like to add and recall to the Council's mind that the pilot really does require some additional Staff work if it's going to be sustained over time. We have talked about the need to establish an actual formal program to require some of these things through an ordinance. That will take quite a bit of Staff outreach and work.

Mayor Burt: Other Public Works items? You're in luck.

Mr. Keene: Before we leave Public Works, could I ...

Mayor Burt: You're out of luck.

Mr. Keene: No, no, Public Works is good. I did want to just clarify that we have the S/CAP under the City Manager's Office. I don't know if there's anything on that before we go into Planning. That's the only item that Gil would have here.

Mayor Burt: I would welcome that. I think that's such a far-reaching item. I think it'd be useful to have an update on the timing and how we might proceed on that. That's which number again?

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Vice Mayor Scharff: Number 4.

Mayor Burt: Thank you. It stood out to me that it said reduction of requested contingency may affect consultant support, etc. Staffing will depend on availability of Staff from other departments too. Can we get an update on where we stand in our next step in this, when it would come back to the Council and, at a high level, what that next step is before the Council?

Mr. Keene: Maybe on the larger issue, Gil can speak to the work plan products. The issue on this budget issue, obviously this is just a tentative issue. If I remember, I think it was a parking lot item in the Finance Committee where the Committee was divided on the idea of keeping the contingency at the \$250,000 level versus cutting it in half. I think this point was just trying to say if that reduction were to be maintained, then there are some issues that need to be revisited. That is not a done deal yet.

Mayor Burt: I wasn't aware of that. I don't follow. A lower contingency, in my mind, wouldn't mean you wouldn't go forward. It would mean that if it ran over, you'd have to come back for additional funds. Am I misunderstanding that?

Mr. Keene: No. It depends upon what the intention is on the contingency. If the idea was to say that—I think it was—a contingency is there to provide capacity, if there's a reduction in capacity, that's one thing, which could affect the schedule and the progress. If it's just a matter of process—do you know what I mean—for providing capacity ...

Mayor Burt: I don't know that I'd equate contingency with capacity. I'd equate contingency with contingency, meaning that you move forward. We have a certain amount, and if we run over in costs, we have that already budgeted. If we need more than that, then it could have an impact, but not prior to then. I'm not following that. I don't want to get too deep in this. Eric, can you at all clarify on the intent of the Finance Committee? You're usually brief, so you can ...

Council Member Filseth: I'll try to be so. Somebody said it properly already. There was some division on the Finance Committee. Essentially the majority thinking was most of the funds for the S/CAP and expenditures for the S/CAP program are coming out of the individual departments, Utilities and so forth. As for the contingency fund, it wasn't completely clear. By nature, it's a contingency. It wasn't completely clear how it was going to get spent. As you said, if it's smaller and it hits, then it comes back to be budgeted again. (inaudible) come back for a meatier adjustment or something like that. It wasn't that it's not there; it's just it would come back.

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Gil Friend, Chief Sustainability Officer: The reason that we put yellow on it is that in that scenario that would affect the timing of our ability to respond to the Council's request to keep the momentum on the S/CAP. It could delay the ability to deliver. To your question before, Mayor Burt, the Council had asked us in April to come back in two months with a process for integrating S/CAP and the Comp Plan. Director Gitelman and I have designed that process. We're working with the City Manager to determine when we can bring that to you, given your schedule, perhaps just as an informational item if that would be suitable. We've been working with the sustainability board to address the second item, which was to develop implementation plans—probably three are implementation plans—for the critical items in the S/CAP with a target on that of 6 months. We're in the planning process on that now, and the ability to move on that is going to depend on Staff ability from the participating departments, some of which as you've heard this evening is stressed, as well as the ability of the Sustainability Office, which is frankly smaller than it was last year and smaller than Sustainability Offices of cities of comparable size. We depend on some consulting resource to be able to move that forward. We'll have a better sense over the next 30-45 days what impact that would have on timing. Our intention at this point is still to bring that back to you in a 6-month window, October, November, if that's feasible. The yellow is here because the availability of supplemental funds will affect our ability to maintain schedule.

Mayor Burt: These are supplemental funds that would be expended in the first half of Fiscal Year (FY) 2017 that we have a budgeted amount for all of 2017. I don't know the burn rate on that. We have a contingency, and we're talking about just how much contingency. I'm still trying to understand why whatever the Finance Committee is considering on how much contingency is holding up the proceeding.

Mr. Friend: It's not that it's holding up proceedings. It's not red; it's yellow. It's saying that there may be an impact on our ability to perform timely based on what level of consulting resources we have available to us.

Mayor Burt: No hold-up at this time.

Mr. Friend: No hold-up at this time, and we can certainly come back to Council, as Council Member Filseth suggested. That will just affect timing.

Mayor Burt: The budgeted dollars, are they ones that would get spent throughout Fiscal Year 2017? The consultant dollars.

Mr. Friend: We have in the core budget \$60,000 for consulting services. On top of that, we request this contingency budget because we didn't think that

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would carry us far enough to get the work done. The notion there, it was called contingent because we would come back to Council with specific requests for how that money would be allocated, but we'd requested that it be appropriated for us so that the money wouldn't have to get found in the first place, if we had to come back.

Mayor Burt: Thanks. Council Member DuBois.

Council Member DuBois: I had a question on Number 60, which is the mobility app for mobility as a service. This was one where I actually kind of want to see if we could save Staff effort and resources. Again, the way it's written up is that we would explore development. I'm wondering if we can minimize the work and look for incentives for private industry to handle this one and kind of take it off our list.

Mr. Friend: If I could clarify that. I think the language may not be precise. It's not necessarily explore the development of an app, but the RFP is to develop the specs for an app that would meet the needs of this community that could come out of an existing application that's on the street or possibly a customization of one of those apps to our specifications by an existing vendor. The third and last option would be to develop something new. Given the pace of that marketplace, that's not necessary. The idea here, that Chief Transportation Official Joshua Mello has spoken to, is to put out an RFQ to develop a tight spec for what we need that meets the needs of this community.

Council Member DuBois: Again, I would just throw it out there. With Planning and Community Environment (PCE), the Office of the City Manager, yourself, is there a different way we could do this one where we don't want to have to write—you're talking about Metropolitan Transportation Commission (MTC) funding. Can we just incent private industry to write the requirements and everything? Just an idea. I'm looking for places we can save ...

Mr. Friend: I think there are a number of other ways to go. There are some folks who have offered to perform those services pro bono. I think the interest here from PCE was to do a disciplined, transparent process, but I think there are a number of ways to slice that.

Mayor Burt: Council Member Schmid.

Council Member Schmid: Number 3, Business Registry has a yellow.

Mayor Burt: We hadn't moved on. Do you think it's related to sustainability?

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Council Member Schmid: No, I'm sorry. I thought we were on CMO.

Mayor Burt: Not to my knowledge. Do we have any other sustainability issues? Thanks Gil.

Mr. Friend: Thanks very much.

Council Member DuBois: Your choice. We have City Manager's Office and Planning and Community Environment.

Mr. Keene: Community Planning. I'm going to be here (inaudible).

Mayor Burt: We'll do CMO at the last. What pages are we?

Vice Mayor Scharff: I think we start at 8, 7.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: A few items that are, I think, connected under housing affordability. I think this is something that we added to our Council Priorities, to the Built Environment, was the issue of housing. There are several items that link together here, in particular, 30, 38 and 34. In numeric order, 30, 34, 38. That's housing micro units, rental costs and vacation rentals. I think all of these interplay a lot. In particular, I'd be happy to just say now let's move all those to the parking lot. I think they're all worthy of discussion. In the interest of time tonight, I don't want to get into a deep dive at the moment.

Mr. Keene: I think that's partly incorporated in your memo that you wrote.

Mayor Burt: We'll go ahead and put 30, 34 and 38 into the parking lot. The intention was to have more discussion at the end. Vice Mayor Scharff.

Vice Mayor Scharff: I wanted to address the Retail Preservation Ordinance.

Mayor Burt: (inaudible)

Vice Mayor Scharff: Numbers. It's really Number 32, which is the retail on Cal. Ave. Then there's the one for—it would be easier if they were altogether. There's the one for Downtown. If someone sees it, let me know. That's 55 and 52. I think those are the three. Fifty-five is the Downtown Retail Preservation Ordinance. Fifty-two would be other commercial districts, which I'm thinking is mostly Midtown and El Camino, frankly, if we were going to look at places. To put it in some context, what we did was we passed an emergency ordinance which, if I'm correct, lasts for two years.

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We can't renew it, if I understand it correctly, as an emergency ordinance. Can we?

Ms. Stump: Just two years and then you need to do something.

Vice Mayor Scharff: We need to do something. When was it passed, how long ago? It's been over a year, I think.

Hillary Gitelman, Planning and Community Environment Director: Maybe I can cut to the chase. It expires in April of 2017.

Vice Mayor Scharff: My concern is that we have to address these issues prior to April 2017. This is one of the few time sensitive things we have on here. We spent a lot of time talking about how we want to protect retail. We passed an emergency ordinance. Now I feel like we're dropping the ball, frankly. I think what we need to do, because obviously I want to put these all in the parking lot and have further discussion about where we go with this.

Mayor Burt: I'd like to just wade in on one other dimension to this. I agree that we can't wait 24 months and then we have another crisis. I also had anticipated that when we adopted this, that we would have certain interim adjustments. The rigid approach of a moratorium on all retail was something that we just really, I thought, were doing as a placeholder so that we could do some things interim while we then had up to two years to look at a long-term solution. I'm also concerned that we need to look at if there are hardships that don't seem to fit within what we were trying to accomplish as our primary objective in the retail ordinance, I'd be interested in Staff being able to come forward and say, "We'd like you to consider this set of allowances from it." We can accept those or not, but that would be something I would hope we'd be able to do sooner rather than later.

Council Member Kniss: I would really support that, strongly.

Mayor Burt: Council Member Holman.

Council Member Holman: Just a little bit of a process clarification here. If we're putting these in the parking lot, are we going to discuss it now or when we address the parking lot items? I'll make comments now or I can hold them for later.

Mayor Burt: Principally when we look at prioritizing them, it's going to be in the parking lot. I brought this other thing out because it's another portion of the parking lot that's not identified specifically within the long-term

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solutions. It's kind of an overlay. My concern on interim measures would be part of the parking lot as well.

Council Member Holman: Thanks for the clarification.

Mayor Burt: Council Member DuBois.

Ms. Gitelman: I'm sorry. Mayor Burt, can I just offer one clarification before you move on? I just want to make sure that we're all on the same page when it comes to these retail projects we've identified. When the urgency ordinance was passed, the Council requested that we prioritize the California Avenue area, which we did. We adopted an ordinance related to ground-floor retail in the California Avenue area. What you see in Project Number 32 were just some follow-up items that the Council had at that time when they adopted that ordinance. There are a few follow-up things related to the feasibility of retail on Cambridge and parking requirements for restaurants on Cal. Ave. Those are the things that needed a consultant report. We've reprioritized that money with the Finance Committee for RPP districts. One other note. When we did our Code cleanup ordinance at the beginning of this year, I guess it was the 2015 ordinance that got adopted in January. There were some cleanup items related to the CN and CS zoning on El Camino. We've done a little bit of cleanup when it comes to El Camino. What you're seeing reflected in this chart is our next priority is Downtown. We're not working on it as fast as we hoped we would, but we intend to work on Downtown and get that done by the time the urgency ordinance expires. What you're seeing is we probably, with the resources we have, can't do more than that.

Vice Mayor Scharff: I guess I misunderstood. We've actually got the retail ordinance in place in Cal. Ave.

Ms. Gitelman: That's right.

Vice Mayor Scharff: The only question is—I actually would argue that we probably don't need to do a retail feasibility on Cambridge, so we don't need to hire a consultant to do that. It's extra work that I think would be almost zero priority. I'd put that little piece in the parking lot, so we can discuss whether or not to drop that.

Mayor Burt: I think from a Staff workload standpoint, we need to look at whether if we don't have kind of interim measures to look at hardship cases, are we going to end up spending a lot more Staff and Council time dealing with those on appeals and petitions and all those things, including potential legal ramifications versus figuring out a way to be able to contend with some of those. That's a consideration. Council Member DuBois.

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Council Member DuBois: Some comments on retail, and then I had some more general comments for PCE. This is a good example of the challenge of reprioritizing without subverting a vote that we took in Council. I'm not sure how we handle this (inaudible) Cambridge Avenue, we voted on that. I supported that vote, and I'm interested in continuing on that.

Vice Mayor Scharff: I think you misunderstood. We have retail requirements on Cambridge. I'm good with retail requirements on Cambridge. That's what we voted to do. The question is should Staff now go do a feasibility study of (crosstalk).

Council Member DuBois: I thought that ...

Mayor Burt: And in what priority.

Vice Mayor Scharff: And in what priority. Since we have the retail ordinance in place, we have retail on Cambridge, should we now go study—have someone tell us whether or not it's effective or not.

Council Member DuBois: Is that correct, Hillary?

Ms. Gitelman: The ordinance that we adopted for California Avenue does address Cambridge. I think the follow-up item the Council wanted us to look at was something about the depth or the size of retail on Cambridge.

Council Member DuBois: That was actually worse. If you want to drop it, I guess we'll (inaudible). The other one is the—in other districts, the question is if that's unstaffed and unfunded and the emergency ordinance expires, can we just pass another one for the outside areas at that time. Again, this feels like it's kind of the appropriate prioritization in general to me. More broadly, you have several openings in your department. I think you have some additional Staff. I think we're seeing a lot of impact here. Part of the question is how quickly can you fill these positions. If you add a couple of good people to your Staff, this picture may shift before the end of the year.

Ms. Gitelman: Thank you for that question. Absolutely. I thought we made that point in the housing memo. We're carrying two significant vacancies in our long-range planning group, which constitutes 30 percent of the Staff devoted to that function. If we can fill those two positions—we're actively recruiting for them—we should be able to pick up some of these projects that are now yellow. We can pick up the pace, and we can reassess the feasibility of some of these other things.

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Council Member DuBois: Just in terms of process, that underlines for me anything we can do support recruiting, Staff retention has a huge payoff. That's kind of a separate angle on all this.

Mr. Keene: I have recommendations.

Council Member DuBois: The other one. I appreciated your examples too. Like the SSO one, I think there's another dimension we haven't talked about tonight, which is what is the quality level we need to do all these projects and are there some projects we could do quicker with less effort. The SSO one in particular, when it came to us, we talked about the Cupertino ordinance. Could we short circuit a little bit by borrowing from Cupertino? I'm just using that as an example. I feel like a lot of times we push projects to the nth degree. We have this Palo Alto process, but we should be looking for places to be efficient.

Ms. Gitelman: Council Member, I couldn't agree more. I've learned in my time here in Palo Alto that everything takes longer than you think. Not just on our side of the table, but on yours.

Council Member DuBois: That really wasn't criticism or anything. It's actually a suggestion for Council. There may be times when we say getting 70 percent of this one is okay. This other one we want 95 percent. Starting to be explicit. I actually have ...

Mayor Burt: I'd say that's what we just did on Cambridge.

Council Member DuBois: Yeah. I actually have several items. I'm not sure if I can read them all off. We might have to stop and talk. I have six or seven items that I'd say I would like to be higher priority. At the same time, I picked six or seven that I would lower. I'm not sure how we get through this as a group.

Mayor Burt: I would say the parking lot is for the things that either we want to add to the list or consider elevating. When we get to the parking lot, we are going to look at prioritizing. I realize that since we lost department directors, are we going to need them to have that prioritizing discussion at the end over the parking lot? No.

Mr. Keene: I don't think so, looking at what's in the parking lot right now.

Mayor Burt: The parking lot may start—we may be selling some of those extra, unused permits real shortly.

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Council Member DuBois: Now that I look at these, some of these may just be clarifications on what yellow means and there is no issue. Twenty-four, Caltrain crossings is a yellow. Obviously, I think that had seven votes; I think it's a high priority.

Ms. Gitelman: We completely agree with you. The yellow really reflects the fact that we're trying to hire a Program Manager to staff that project. We don't currently have Staff with expertise or time available to be the City's designated person on that initiative.

Council Member DuBois: Thirty-one, the new RPP implementation is also yellow. I think you've heard that's a priority.

Ms. Gitelman: Yeah. Again, I think we received the Council's direction loud and clear. The yellow reflects the fact that we suggested some changes to the FY 2017 at the Finance Committee to include a contingency—to include some reallocations that will allow us to staff the operational side of that project.

Council Member DuBois: - This is one, for me, that I think I'd probably want to put in the parking lot, the CC(2) zoning, Number 39. The suggestion is that it comes concurrent with the Comp Plan. In terms of implementation, that means 3 or 4 years out. Is that correct? We'll pass the Comp Plan, and then we'll start to implement in pieces.

Ms. Gitelman: I hope it would be sooner than that. Our current Comp Plan schedule is middle of 2017.

Mayor Burt: I think the question is whether the zoning would follow sequentially and be significantly after the Comp Plan versus the concept that you had espoused previously that the zoning would come concurrent with the Comp Plan.

Council Member DuBois: That is behind that question.

Ms. Gitelman: The biggest work effort, in my view, associated with an initiative like that that's going to affect a lot of property owners is the CEQA review. What we're hoping is the Comp Plan EIR provides us with the CEQA review for doing something like that. In that sense, it would be concurrent. You're right it might trail behind, because the CEQA review would be done, but we'd still have to write the ordinance and bring it forward.

Council Member DuBois: This one, it's kind of a shorthand. This is looking at CC(2) at Cal. Ave. Wasn't that the genesis of this one?

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Ms. Gitelman: That's right. It is related to the items that Council Member Wolbach talked about. When we're talking about housing, how to stimulate more housing in exchange for removing the sites on San Antonio, we need to find areas where we're going to either increase existing residential densities or convert some nonresidential FAR to residential. It's a little bit tied up in that whole bundle of ideas.

Council Member DuBois: Again for me, this was one that should go in the parking lot. I'd like to see it come before the Comp Plan. That's my two cents.

Council Member Holman: I'm sorry. What number was that? Did you jump to San Antonio?

Council Member DuBois: Number 39.

Council Member Holman: I thought you jumped to San Antonio Road.

Council Member DuBois: Can I get that added to the parking lot?

Mayor Burt: Yeah.

Council Member DuBois: Then 42 and 43 are yellow. Again, my preference would be that they get attention. That's the IR program review and the Eichler zoning ordinance.

Ms. Gitelman: I think we're in agreement with you. The memo we gave you on the Eichler guidelines said that we can do that as a consultant-led effort, presuming that we get this contingency funding in the FY 2017 budget. We'll probably start that item after the Professorville Guidelines are complete. This September is the target for that. The IR review we're going to bring to the Planning Commission while the Council's on break. Those two efforts are wrapping up. It's the perfect timing to initiate this new project.

Council Member DuBois: One that I think was here a couple of years ago; I think it could come back. It's red. Fifty-nine, the build-to line on El Camino discussion.

Male: (inaudible)

Council Member DuBois: I have no idea. I also had corresponding ones that I'd lower in priority. My last one to focus on was—I think we talked about it. Maybe I'll go back and talk about the ones that I had lower priority on. I have a feeling, again, this would be more for discussion. In order, going back, Number 28, the Midtown connector project. I know we're in the

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middle of that. I think Staff initially recommended not to do it, given all your other work. For me, it would be a lower priority right now.

Ms. Gitelman: Council will have an opportunity to follow through on that suggestion in the coming weeks. It's on your Agenda.

Council Member DuBois: Thirty-three, the paid parking study. It's under way; it's green. Again, relative to other projects we have, it would have been lower priority for me. Thirty-seven, secondary dwelling units. I know this is a hot topic. I'm concerned about the return for the time. I think you can spend a lot of time on this and make some small adjustment, which won't add any significant housing. If you make radical changes, it probably will not get support from the community. The question is why spend a lot of time on it. Again, maybe not a politically popular sentiment, but I think it's a place to save time. Forty-one, shuttle expansion. I think this is also coming to us soon. Again, my perspective is it may not be a place for us to spend a lot of time. Forty-nine, the speed survey updates. Again, I think (inaudible) are important, but it'd be relatively less important on my list. I think that's it.

Mayor Burt: Anyone else? Council Member Holman.

Council Member Holman: I have a question about some of these things that seem to me, no matter what color they are, that they're things that go hand in hand with the Comp Plan. I'm not quite sure how we color code them if they're related to the Comp Plan. I had a question about something else too. Hold that and then respond to that. The build-to lines, I appreciate Council Member DuBois putting that into the parking lot. Related to that, I've brought up a few times the over 3-year-old Colleagues Memo that, I believe, Council Members Scharff, Schmid, Burt and I wrote, having to do with El Camino Design Guidelines and how those integrate with the grand boulevard design elements. It was pretty explicit about some of the things that we should be engaging in. To my understanding, that was going to be done with a part of the Comp Plan Update, but the Citizens Advisory Committee (CAC) members don't know about it and I don't see it on this list.

Ms. Gitelman: Council Member Holman, I'll have to go back and review that Colleagues Memo. I do remember when we brought forward our proposed ordinance on the build-to line, it suggested increasing setbacks along El Camino, and the room was packed with property owners who objected to that concept. At that time, the Council said, "We want to scale back this ordinance, adopt something quickly that's just a little adjustment to the build-to line. This larger idea of increasing setbacks on El Camino should be dealt with in the context of the Comp Plan Update." That's the sort of track

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we've been pursuing. I confess that the build-to line has dropped in priority, also because it's not going to accomplish that much. When we eliminated the concept of increasing setbacks, it became really a technical change. We could almost put that in next year's Code cleanup at this point. We've haven't been actively pursuing it.

Council Member Holman: To go back to the Memo here for just a minute. As part of the Comp Plan, it seemed like the things in that would accomplish a lot. Again, I don't see them on this list and don't hear them being discussed as part of the CAC activities. Maybe it'd be good to go back ...

Ms. Gitelman: I'm not sure I understand ...

Council Member Holman: ... and review the Memo.

Ms. Gitelman: The Colleagues Memo?

Council Member Holman: Mm-hmm.

Ms. Gitelman: When was that Colleagues Memo brought forward? Do you remember?

Council Member Holman: It's over three years old now.

Ms. Gitelman: I'll have to ask someone to dig it up.

Council Member Holman: To not really act as cover for you, when you'd been here a good while, you didn't even know it existed because it hadn't come to your attention. I'm certainly not finger-pointing here. Now it should be coming forward.

Ms. Gitelman: I totally understand. There has been a lot of work and a lot of urban design work done around El Camino Real that we reference often in our office. I guess the question is, given everything you see on our plate, is there really the ability to do more. If you're talking about just making sure we have policies in the Comp Plan Update that reference that prior work, I think that's completely feasible.

Council Member Holman: I think, again, it would just be helpful to go back and review that Memo.

Ms. Gitelman: Happy to do that.

Council Member Holman: Given that that's one of the areas where the Citizens Survey ranks the City low in terms of our projects, I think it should be prioritized.

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Mayor Burt: It's one thing for her to review it. Upon review, if the action is to make sure certain aspects of it are going before the CAC and the Comp Plan, is that what would meet that or are you proposing something else?

Council Member Holman: I'm not sure, until I get some feedback, whether it should be on this list or if it should just be ...

Mayor Burt: Then we'll move on.

Mr. Keene: What I would just say real quickly, what I heard is if it's the former on those two, Hillary can do it. If it's the latter, it's potentially a red-listed project when we bring it forward.

Council Member Holman: My first question was how some of these integrate with the Comprehensive Plan. They're listed as separate projects here, but they're really, I would think, integrated with the Comprehensive Plan. How do we red/yellow/green these if they're integrated with the Comprehensive Plan? Micro units being maybe one thing.

Mayor Burt: Vice Mayor Scharff.

Council Member Holman: Hillary, answer the question please.

Mayor Burt: That was more of a comment than a question.

Council Member Holman: No, it's a question.

Ms. Gitelman: Maybe you could give me an example of where you think something is integrated with the Comprehensive Plan.

Council Member Holman: Micro units was one. Parking studies related to housing was another. Just to give you a couple of examples.

Ms. Gitelman: I think we talk about the fact in our memo on housing, that micro units is a significant work effort unless we're talking about a single site as a test pilot. To do a Downtown-wide look at how to incentivize micro units, or elsewhere in the City, that is a significant effort that we would talk about in the Comp Plan in terms of policies, include a program and include those into the scenarios that we're analyzing in the EIR. To actually get it done, it's not going to be feasible before the Comp Plan.

Council Member Holman: Lastly, at the Finance Committee we talked about—I actually suggested a \$200,000 contingency for you to help get some of these things done. The suggestion came back from Staff, from your department and the City Manager's Office, for a \$500,000 contingency. Do you want to speak to that just a little bit, so the people who aren't on

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Finance might understand what that might be used for and that level of support.

Ms. Gitelman: Sure, I'd be happy to. When we first went to the Finance Committee, I thought we had a good conversation just about the fact that the Planning Department is currently a Staff of about 36 people. We have trouble recruiting new people. The job market is really tight for planners, whether they're on Staff or as consultants. We are asking for a few new positions in the budget, but the Committee really wanted to know what else can we do to move forward some of these policy initiatives. We came up with the idea of—it's not a new idea because we have a contingency in this year's budget. This year it was for transportation projects unanticipated at the beginning of the year. By the close of the fiscal year, we will have used all but, I think, \$70,000 out of the \$500,000 in that contingency. We're proposing the same approach in FY '17. It would be a contingency not just for transportation, but also for planning. We would use that to fund the consultant who would run the Eichler Design Guidelines proposal, and then other planning and transportation initiatives that came up in the course of the year, where we didn't have Staff, we just had to throw resources at it to get something done. I think in the memo, that's going to the Finance Committee for next week's meeting, there's some ideas of what those other projects could be.

Mr. Keene: Just so we're clear, the Finance Committee has not endorsed that recommendation yet. You specifically asked us to come back on the 7th with how that would be used.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: I just wanted to briefly address the parking issues. Parking was one of our highest priorities. The frustration with parking Downtown and in other places has been a big issue. I guess I wanted to get a sense of where the paid parking study was. That's the one that's green, and everything else seems to be contingent upon finishing that paid parking study.

Ms. Gitelman: You're absolutely right. We see that as an essential study to move forward with some of the projects we've been talking about for a while, like the parking guidance system is currently unfunded, kind of on hold pending the outcome of the paid parking study. We're hoping that study will allow us to adjust parking rates and potentially even charge for parking where we don't currently charge. We could use that as a financing mechanism or to fund parking guidance systems and help us design the parking access and revenue controls, which is another line item here. We

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see that as a critical study. We're in the data collection phase right now. We've already collected one data set. There'll be another data set in September and October, once school's back in session. We're looking at not just occupancy, which is something we've done routinely with the RPP projects, but also turnover, and we're doing some focus groups with residents and members of the business community. We're going to get a fuller sense of how all our parking resources are used, not just the garages and the residential streets but also our on-street spaces and parking lots in Downtown.

Vice Mayor Scharff: When is the parking study going to be completed? That was my question.

Ms. Gitelman: We're hoping to complete it by the end of the year.

Vice Mayor Scharff: By the end of the year. The parking access and revenue controls, I thought this came to Council originally—it was going to be these things underneath that you drove over. Council said—I've got to remember never to do this again. The question you posed to us is do you want to wait six months and have better technology or do you want to use this right now. We said, "No. Come back with a better technology." How did this come to be unfunded? You're coming back in six months on that issue, and now it's just unfunded. How do we get that without coming to Council?

Ms. Gitelman: When we collectively put the CIP together and we know how much money we have, we're looking for projects that can be funded in other ways. Parking access and revenue controls and parking guidance systems were identified as capital improvements that could be funded through parking revenues. That's how it got teed up behind the paid parking study.

Vice Mayor Scharff: This isn't a Staff issue. This is purely a funding issue.

Ms. Gitelman: It is a Staff capacity issue in the sense that we have now one person, with Jessica's departure, managing all these parking projects. We thought it made sense to prioritize the one that was going to generate the money over the other ones that were going to spend the money.

Vice Mayor Scharff: That's fair enough. Have we done the work? This came to us—I don't know. Help me out. A year ago?

Council Member Kniss: (inaudible) time ago.

Vice Mayor Scharff: Eighteen months? Have we done the work?

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Ms. Gitelman: We have done significant work on both of these efforts. Parking guidance systems, I think, you saw quite recently and helped us choose which option we would prefer. That is basically ready to go once we have an idea of a funding stream. Access and revenue controls will need a little more work, and it will be informed by what we decide in terms of policy changes around paid parking.

Vice Mayor Scharff: I'd like to put 35 then, parking access controls, in the parking lot, and the parking guidance systems to have a little further discussion about it.

Mayor Burt: (inaudible) the parking in the parking lot.

Vice Mayor Scharff: Right, the parking in the parking lot.

Council Member Wolbach: (inaudible)

Vice Mayor Scharff: It's 35, and I think it was 40. Yeah, 40.

Council Member Kniss: Can I talk to that?

Mayor Burt: Council Member Kniss.

Council Member Kniss: I think I need to recall what happened with—this is Number 51, which was the Geng Road circulation, Embarcadero Road parking study. I think we voted on that I don't know how long ago. A very long time ago.

Vice Mayor Scharff: 2013.

Council Member Kniss: This also includes a parking study. As I recall, this went through the Council and then was put out by the—and then was eliminated by, I think, Staff.

Mayor Burt: I think it went to Council with a Staff recommendation of not proceeding based upon the traffic impact ...

Council Member Kniss: Yes, I think that's correct.

Mayor Burt: ... at the—I don't know why it's still here.

Council Member Kniss: That's my question.

Ms. Gitelman: if I can clarify. I think we're talking about two things, kind of apples and televisions. We had a satellite parking idea for Embarcadero Road that we spent some time on. We brought that idea back to Council

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with a recommendation not to proceed for a number of reasons. This is a new idea. It would also involve looking at whether we could improve parking out there. What's happened since we had the satellite discussion is that employment out there has increased and the traffic and parking has gotten so much worse. The Chief Transportation Official has come up with an idea of potential remedies. This would be a study to pursue those further. It's just beyond what we can really take on right at this ...

Mayor Burt: This is different.

Ms. Gitelman: ... moment. It is a different project.

Mayor Burt: It does bring up that we—was this at our Retreat, something that was on the board? Staff put up all the things we voted on, I think, were principally Staff-initiated with a few write-ins, if I'm recalling correctly. Was this on the board?

Mr. Keene: I'm pretty sure it was. I don't have the original one from ...

Mayor Burt: We probably didn't know what the heck it was about or we thought it was about the first thing, one of the two.

Council Member Kniss: It's not proposed for funding; therefore, is it alive?

Mayor Burt: It's low priority. It's a new project proposal, they said ...

Council Member Kniss: Without funding.

Mayor Burt: ...without funding at this time.

Mr. Keene: Just so we're clear. We put it on because we were getting a lot of traveler complaints from folks down on Embarcadero Road about the ingress and egress access there and the intersection improvements that would need to be made. We knew it was important to folks in the community. It's just that the alternatives that we put together, one, both don't have funding and they're all incomplete as far as what the remedies would be right now.

Council Member Kniss: I look forward to hearing more about it in the future.

Mr. Keene: There was a little bit of thought—I thought there was a little bit of waiting to see what happens with the car dealership too.

Ms. Gitelman: There's a possibility that the intersection improvements that would be funded by ...

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Mr. Keene: Mercedes.

Ms. Gitelman: ... Mercedes and others will help address some of the issues. I think we're going to continue to hear some complaints from folks out there, that someday we're going to have to take a harder look at.

Mayor Burt: Council Member Schmid.

Council Member Schmid: I guess I just wanted to reiterate some of the points that have been made. The Planning Department is under pressure and has a wide spectrum of things. What I heard is that there were some things that you mentioned were yellow, but they were moving along well. Included the IR program, the Eichler design, the Professorville Guidelines and the Caltrain Program Manager for the grade separation. All of those, you were assuring us, are moving ahead. I just wanted to make sure that was ...

Ms. Gitelman: That is true. They're yellow for a variety of reasons. The grade separation, as I mentioned, is because we're trying to retain a Project Manager or Program Manager for that. The Eichler project is yellow because we still need the budgeted resources to do that and bring a consultant on board, which will be a procurement effort. The IR project is wrapping up. The Professorville Guidelines are wrapping up. Those have taken longer than we thought, frankly, but I think they'll be done very shortly.

Council Member Schmid: I just wanted to confirm that. We haven't talked at all about the Comp Plan Update, the transportation analysis on CEQA and the TMA survey reviews. I just want to make the point that those are critical. We want to make sure we do the things that are most important.

Mayor Burt: Other Community Environment items? Anything? Council Member Wolbach.

Council Member Wolbach: I'm sorry if I missed it during the earlier discussion. Item 41—there was at least some allusion to it before—that is shuttle expansion. My understanding is that is coming to Council pretty soon anyway for discussion. There's no real benefit to putting that in the parking lot, because we're going to be talking about it in the next few weeks, I think, before break. Correct?

Ms. Gitelman: That is not coming to you before the break. We're going to bring it to you sometime in the fall. What's happened to us is VTA has put out their proposal and the options that would substantially truncate their service. We're having to step back and reassess a little bit. My hope is that we can still bring this to you sometime in the fall.

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Council Member Wolbach: Is it too much to hope that if Staff can't work on that in the next few months, they'll get to work on some of the other things? Does that free up some Staff time in the interim?

Ms. Gitelman: We're showing that as yellow. The other projects take that into consideration already.

Mayor Burt: I'll just add that the VTA tax will also play into this, not only the VTA bus program restructuring which could take services away from existing services like some of ours. The 500 million that is in ...

Council Member Berman: The roads.

Mayor Burt: No. Actually the bus service would put dollars back into play. Those two things will come in. I don't know whether we can have a reasonable discussion until after November. I'll just say that from a policy standpoint, if they were to pursue cutbacks on our routes, I'd really want to pursue having VTA refund to cities the bulk of the dollar savings if they would use them toward local bus service, that would be matched or whatever by local funds. I just wanted to get that out on the table. It's kind of a high-level concept that ties in with this. It's going to be a big issue. Anything else on Community Environment?

Council Member Wolbach: What did we decide about 51? Is that going in there at all? I'm not recommending it necessarily does. That was the Geng Road.

Mayor Burt: No. We just said that's on hold.

Council Member Wolbach: Thanks.

Mayor Burt: Thank you, Director Gitelman.

Council Member Filseth: What was the resolution on if we're going to escalate some of these? How do we look at other things to de-escalate or something (crosstalk).

Mayor Burt: That's what we do when we revisit the parking lot at the end of this meeting.

Vice Mayor Scharff: I don't think Director Gitelman should leave actually.

Mr. Keene: She won't leave.

Mayor Burt: That goes to that question of whether we need directors.

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Council Member Filseth: That was sort of why I asked if we were going to send Hillary home.

Mayor Burt: Does that move us to City Manager Office? Who has—Council Member DuBois.

Council Member DuBois: Kind of the same comment. One of the biggest things is you're way understaffed now with the loss of a couple of people. For me, I had two things that I would elevate in priority and two things that I would decrease. For me, three, Business Registry. I think it's important that we give it some time and improve the quality of that data. We're collecting money. It could very easily fail if we ignore it in the second and third years. I'm concerned about the Business Registry. Then, five, I know Kash is spending a lot of time on airplane noise. Right now is the time to do it while the Select Committee is getting up and going. We can't really afford not to be there. The two that maybe I would de-prioritize right now—again I ...

Mayor Burt: Let me just ask on five, why is it a yellow? We're spending Staff time and very engaged. It seems like it's a green.

Mr. Keene: I think it is. It's where are we going and what's our ability to be successful.

Mayor Burt: Is this a yellow that's kind of a fog of war yellow?

Mr. Keene: Yeah, it's a little bit more like—exactly right. We're green as long as whatever. Ten years in Afghanistan or something is on target.

Council Member DuBois: I guess two is going to come back to us. This is local transportation funding. I think we just need to decide if it's this year or in a future year, and that will change the work load.

Mayor Burt: That's really a green also. That's going full steam ahead.

Council Member DuBois: In terms of being understaffed, when we talk about it, we'll talk about that one. I already brought up 60. I still think this mobility as a service app, if there was a way we could get that off your plate and just incent a private company to do the work for us. Thank you.

Mr. Keene: I think it's a partnership, as we said. I think we need to inform it with some content, but the work is for the marketplace.

Mayor Burt: Others? Anyone else? Council Member Schmid.

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Council Member Schmid: Just a comment on the Business Registry. I guess I'd go in the opposite direction of let's spend less money. We spent a year, a year and a half collecting data, and we are well beneath the numbers that we are using as our base for employment in the City. I think we're about one-third beneath it. Where do those numbers come from? They come from Association of Bay Area Governments (ABAG), and ABAG both in 2005 and 2013 came up with numbers of employees in Palo Alto. A question of where does that come from. They used census data, business census data from the Commerce Department. It seems to me it's time that we stop trying to count noses and find that we can't find all these people, and use the same number ABAG has been using as their basis. Go to the business census put out by the Department of Commerce on a census-tracked basis and use those numbers that PlaceWorks is using. We're using it as a background for all our reports. Why don't we use it?

Mayor Burt: Can I weigh in on that? I'm not sure—when we've quizzed our Staff on the reliability of that data, in particular how reliable it was for our medium and larger businesses, the answer was that we think we've captured it really well. I'm not quite sure why there's the assumption that the business census data is necessarily correct. I would say that if our data is closer to correct, then that might favor our position with ABAG. They drive demand for what we must build in housing based upon, in part, our jobs. If that's been overstated, why would we want to acquiesce there?

Council Member Schmid: Why are we using, why is PlaceWorks using, why are we giving out background material for our Comprehensive Plan using the data that ABAG has given us? We as a Staff have accepted that as a base number.

Mayor Burt: You were just advocating that we abandon embracing our specific data. Why wouldn't we want to go in the other direction, which is look at whether our specific data might be leading us to greater accuracy and embrace that?

Council Member Schmid: It would be good if we have confidence in it. It seems to me we've struggled ...

Mayor Burt: I don't know which I have confidence in. I'm not sure that I have confidence in ABAG's numbers.

Council Member Schmid: It's the Department of Commerce census that you have confidence in. It seems to me those are the numbers that we have been using in our Comp Plans for the last 40 years as a true basis.

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Mayor Burt: Now that we actually do surveying, I'm trying to understand why, when that doesn't align with the Commerce census, we would continue to embrace the Commerce census over our actual City-specific data.

Council Member Schmid: Because I think all the data that is showing up in our transportation systems and our traffic and our parking indicate that the census data is probably fairly accurate. (crosstalk)

Mayor Burt: I guess I don't know that. If that is the case, then our assumptions about the comparative accuracy of our Registry data would be wrong. For me, it poses a question rather than a conclusion.

Mr. Keene: I think the Council made some decision to get more granular and specific in this area, because of the utility that the information can provide potentially for uses and purposes we're not even using it for right now. There may be service delivery aspects of having this info that's different than just what we would use in the Comp Plan. I think what we've acknowledged is nobody gets this spot-on on the first pass through. This is a multiphase process over a couple of years where we would definitely expect that we get to scrub the numbers and the data and see where we are. In truth, if we feel that they're really accurate and valid and then they are different than ABAG's methodology, I would be with where the Mayor is. Wouldn't we want to make that case potentially?

Mayor Burt: A question would be how do we get to that reconciliation. One of the things that I brought up last year was doing a sampling where we would look at a reconciliation. If we have census data and its business specific, take X number of businesses and dig deeper and find out what's the basis for the disparity. Right now we're just kind of in a stalemate, and we're not moving toward reconciliation. I just don't think that—the answer at the time by Staff was, "We can't possibly look at every business." I agree fully. That's sampling; that's why we use statistical sampling. I think that could get us much closer to figuring out why we have this disparity.

Mr. Keene: In any case, we're not poised to move ahead. We have what we have for now. I think the appropriate time would be when we're ready to step it up and we want to go the next phase. If the Council wants to redirect us, you can do that then.

Mayor Burt: Anything else on City Manager's Office? Council Member Filseth.

Council Member Filseth: If I can just weigh in briefly on the Business Registry. I think it's really important that we be able to make a bottoms-up approach like the Business Registry work. We know it can be done. We see

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other communities do it successfully, so we know it can be done. As the City Manager points out, there are other kinds of very closely related bottoms-up data that we're going to want to be able to get. We are taking a huge flyer on TDM. We're just assuming we're going to be able to reduce car trips 30 percent, and that's going to sort of—we're using that for all kinds of decisions. That's going to require us to do a bottoms-up counting of employee trips. If we can't even count employees, how are we going to count employee trips? I think it's important that we make this work. Thanks.

Mayor Burt: Let's return to the parking lot. We have it there. Can we get it posted on these two? Can we get the parking lot on all the screens, David?

Council Member Holman: I just wanted to just get one clarifying comment from City Manager. Airplane noise really is green; it's just taking more than what's anticipated because the answer isn't at our fingertips, but it's full steam ahead on trying to address that and working on it.

Mr. Keene: Yeah. I just think that there's still a lot of uncertainty in the future as to where it's going to go. There's not a straight line from here to whatever the outcome is. In that sense, that's why we wanted to say it's—I think the fog of war is a good way to think about that. We're trying to let you know. We could be in a situation where we would really say we got stuck somehow down the road here. We need X, Y, Z more.

Council Member Holman: There's no diminution of effort though. We're full steam ahead. Correct?

Mayor Burt: Vice Mayor Scharff.

Mr. Keene: Yes. I think there may be things that come up that are not known to us. We wanted to make it tentative. As far as what our effort is, no, we're draining our resources to support this.

Vice Mayor Scharff: I think I'll just follow-up for Jim on the airplane noise. I think that yellow is probably appropriate. It's not clear we'll achieve anything at the end of the day. I think we're working as hard as we possibly can, but the FAA report was not positive on the sort of things we wanted to do. This is a real uphill battle, to make real progress on this. If we put it as green, it gives the community the sense that this is a done deal and we're moving forward. Putting it yellow, I think everyone's working as hard as they possibly can to achieve progress on this issue, but progress is not certain. That's why it's yellow.

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Mayor Burt: That's another yet use of yellow. Let's move on to the parking lot. The goal is to determine whether any of these items should be elevated in their priority over their current priority. If so, what items should be reduced in priority to make room. I think we actually—we need to look at these by categories by department.

Council Member Kniss: Pat, one question on this. I think either we're elevating them without paying attention to what the budget can bear, or we are trying to balance one against the other. I think we need to know where we're heading before we start down the parking lot.

Mayor Burt: If we were going to elevate any of these, we'd need to probably reduce the priority of something else. It may not be from a budgetary standpoint a tracking that they necessarily—the staffing resources that would be needed to elevate something and reduce something may not be the same as the budgetary impact. That's a good question. It's another dimension which is any budgetary impacts outside of just staffing priority tradeoffs. For the start, I think we need to identify which departments are each. Homeless is CSD. Smoking is Public Works, which kind of baffles me. Pardon me? Sure.

Ms. Stump: I can possibly take this one off. I did get a quick report back that there is an ordinance that's nearly done. That should be coming forward—it looks like a little bit of a disconnect between the preparation of this report and the line Staff who are still working away. On tobacco retailer licensing, the Staff is working with the County. The State solved two of the other issues or addressed them substantially, the age and the e-cigarettes. I think this one can comfortably come off the parking lot if that answer is satisfactory.

Mayor Burt: We basically just move it up to a green.

Vice Mayor Scharff: From a red to a green, that's progress.

Mayor Burt: We've got ...

Mr. Keene: Pat, could we just go back to homeless services? I can't nail it down like Molly did. My take on the homeless services item really is this is some bigger policy discussion that the Council needs to have. What's the nature of the problem and what's the City's response and is there anything more we really can do right now? I don't see how we get from here to there at all in the short term. I don't think this is a question of reprioritizing something else. Do you want us to put a little bit more money in this or do you want us to reduce the homeless problem by X? I just think it's a big policy (inaudible).

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Mayor Burt: Council Member Wolbach.

Council Member Wolbach: I think that's a very good point. There are definitely a lot of angles we could attack this. Budgetary, there's stuff that we could do just as a City on our own. There is stuff that we can do in conjunction obviously with the County. There's stuff we can do in conjunction with nonprofits. I'm interested in an update from Staff on the future of the Opportunity Center and the changes that they're facing with their partners and whether that means the City will have to play a larger role. I'm not sure what the best way to approach this is, if it means that we—do you want a Colleagues Memo so a couple of us put something together or do we want to say let's start looking for a time for a Study Session? Do we start looking for time for an Action Item. I'm open to colleagues' thoughts on this. Because it is a multi-headed hydra of a problem, but one of pressing concern to so many people on Council and in the community, I just think it's worth addressing.

Mayor Burt: Council Member Holman.

Council Member Holman: I share your concerns about this, Council Member Wolbach. Just so you know, it's not like nothing will be happening. A couple or three of us have actually been in communication with the VA trying to see if there was some possibility of some veterans homeless facility there. More to be known or learned about that. Also just know that it won't be lost because it's one of the items on the Healthy City Healthy Community resolution that Council Member Kniss and I worked on so much last year and the Council passed. It's not going to get lost.

Mayor Burt: Council Member Kniss.

Council Member Kniss: I would underscore what Karen has just said. That is indeed the case. Also, at the end of any day, the County really takes the most responsibility for homeless. We should be in touch with them. We had a very close connection for a while, that I think has probably slipped because it's difficult to keep all these going. I think reminding our County connections that that is their job doesn't hurt.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: Thank you. I also appreciate your concern about this. I thought we'd narrowed it to veterans homelessness where we thought we could actually have a larger impact. I also want to remind us that when we closed Cubberley to the homeless, basically, we put forth—maybe you could help me out. Was it 250,000 or was it 250,000 for two years?

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Council Member Kniss: 250,000 ...

Council Member Holman: For two years.

Vice Mayor Scharff: For two years, so it was 500,000 total or was it 250 total?

Council Member Kniss: I think it was 250 total.

Mr. Keene: I think it was 250 total ...

Vice Mayor Scharff: Over the two year period.

Mr. Keene: The County matched it 125,000 each year. We ...

Vice Mayor Scharff: That's right. It's 500 for that. If everyone recalls, that wasn't our first choice. Our first choice was to partner with local agencies. We went through an entire process in that. We were unable to work out how to give away our money to work with local agencies where we could make it work.

Council Member Kniss: We spent a year on it.

Vice Mayor Scharff: We spent a year on it. This isn't something where we could just say let's throw money at it and be productive. I don't want us to lose sight of that. I've asked several times; I didn't ask hard enough that I pushed it. I asked what happened to the money that we sent to the County. What could we have to show for that effort? I don't think there's a single Council Member here who could tell me that we gave that money to the County, do we know what happened to it? Do we know what they used it for?

Council Member Schmid: They had a report (inaudible) ago.

Vice Mayor Scharff: Two months ago.

Council Member Schmid: (inaudible) came and said thank you very much. Here's what we've done with it. We've housed ..

Vice Mayor Scharff: What did he do with it?

Council Member Schmid: ... 10, 12 people.

Vice Mayor Scharff: They housed 10 or 12 people.

Council Member Schmid: That's a practical outcome.

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Council Member Kniss: They weren't all in Palo Alto.

Council Member Schmid: No, they were housed in the county.

Vice Mayor Scharff: I'm just saying I think that—obviously we all care about homelessness. We want to resolve the issue, but this is a really complicated issue. I don't think just throwing money at it works. I don't think it's as simple as saying let's partner with the County. That's a lot of money, \$250,000 out of the General Fund, if I recall, given especially where we are with our budgetary constraints that we're having right now. I just want us all to be cautious. I agree with Council Member Kniss this is primarily a County issue. This is what the County does. They are supposed to resolve this. The fact that they don't do necessarily a great job on it, but it's a complex issue.

Mayor Burt: I just want to caution us. If we're going to even get through the ten items on the parking lot and if we spend 10 minutes each, we'll be ...

Council Member Berman: Midnight.

Mayor Burt: Yeah. On the homeless, we've heard that we actually think that we have some direction. Council Member DuBois.

Council Member DuBois: (inaudible) want to make comment on homelessness. I have a general process suggestion to get through the list. These are on here because one or a couple of Council Members suggested they be on the list. What if, when we get to each one, we do a straw poll to see if there's agreement or disagreement that the priority is wrong. The majority may think that some of these are correct as is, and we could move on.

Mayor Burt: Let's give that a shot, and see how that works. We'd also need real quickly to remind ourselves where we are on the priority in order to vote on whether it's right or wrong. On Number 10, it's a yellow. Do we think that is approximately the correct priority or it should change?

Council Member Kniss: (inaudible) straw vote?

Mayor Burt: Yeah. We're having straw votes on the process Council Member DuBois just mentioned, if we think that the current priority is approximately correct. If it fails, then we go into a deeper discussion on how to adjust it and what tradeoffs.

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Council Member Wolbach: When you say the current priority, do you mean the ranking we gave it at the Retreat, the fact that it's on the list at all or its current color code?

Mayor Burt: I think color code primarily. We realize that we've kind of treated—its color code and the way Staff explained it; I guess is the way I'd put it. Why don't we do it the other way? Anyone who thinks that the current priority should be changed. First on Number 10, homeless services. That has three. We'll put that as a tentative no. These are straw votes, so we'll come back at the end.

Council Member Kniss: It's a tentative yes, leave it as it is?

Mayor Burt: Correct. Tentative no, don't change it. Next one is 30, housing micro units. It's currently a yellow. Do we want to look at 30, 34 and 38 as a group or separately? Then let's go 30. Who thinks that we should change the priority from its current position? That has four in favor.

Council Member DuBois: I don't think it's just color, but the comments that it'll be done with the Comp Plan.

Mayor Burt: Thirty-four, which is rental costs. Who thinks it should be changed? Three. Five, sorry. Rental preservation ordinance. I'm sorry. Thirty-eight, vacation rentals ordinance. One. Thirty-two, retail preservation ordinance on Cal. Ave.

Council Member Holman: Description on that please. Didn't we ...

Council Member Kniss: I thought we resolved that.

Vice Mayor Scharff: I think we did on that.

Mayor Burt: Yeah, let's drop that one.

Council Member Holman: Can we be clear on what exactly happened earlier to see that we're all on the same page?

Mayor Burt: We got a clarification that we had taken action, and there were I'd say a few minor things on the margin that will eventually be addressed but not as a priority.

Council Member Berman: The important thing got done.

Mr. Keene: We came back and did what you guys asked us to do, and then you asked us to do some more stuff.

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Mayor Burt: On the Cal. Ave., anyone thinks this needs to be changed in priority? That's fails, zero. I have one thing on the next two that I don't quite know how to fit. There's one thing, a question of whether the complete solution needs to be reprioritized. I had this other issue of whether we need to be looking at ...

Male: Exemptions?

Mayor Burt: Yeah.

Vice Mayor Scharff: I'd add that.

Mayor Burt: I'll call that as another item of modifications to the preservation ordinance Citywide. It could apply to any of the areas, any modifications that we want. It's an overlay to all of them. It's any interim ...

Mr. Keene: (inaudible)

Council Member Holman: That would apply to—I'm sorry.

Mayor Burt: I called it modifications to the retail moratorium ...

Council Member Kniss: Citywide.

Mayor Burt: ... Citywide. Anywhere in the City, I guess, is what we might choose to ...

Council Member Kniss: That changes it from the red.

Mayor Burt: Karen. That's different from—we have in 52 and 55—that's basically addressing the permanent ordinance in those geographic areas. This other thing is interim modifications to our moratorium. Karen.

Council Member Holman: As I read the 52 and 55, it seemed like that was to do a lot of work to go around, which is a much larger project, it seems to me. I think what you're proposing, which would affect Number 52 and Number 55, would be to come back with suggestions or come back for an opportunity for the Council to weigh in on what we would like to see changed about the current preservation ordinance.

Mayor Burt: You mean the moratorium? By current ordinance, you mean ...

Council Member Holman: The current retail preservation ordinance.

Council Member Berman: She means the (inaudible).

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Mayor Burt: The moratorium.

Council Member Holman: I don't think it's really a moratorium. I think it's—call it what you want, but it's a ...

Mayor Burt: We froze everything. It was a moratorium on change of any retail to non-retail.

Council Member Holman: It's really an urgency ordinance, I think, is what—yeah. What you're talking about would affect Number 52 and 55, which would be make changes to that ordinance.

Mayor Burt: Potentially, yeah.

Mr. Keene: What I heard Hillary say is on 55, while it is yellow, we were saying we would be on track to have made the changes that needed to be made by the time the two year cycle of the ordinance had passed. It was yellow, but it was going to be completed in time.

Vice Mayor Scharff: Just to weigh in on that. You said can happen. That wasn't a commitment. If it had said it will happen before the end of the expiration, so I thought, "What's the difference between being green and being yellow?" I got the sense this may happen. If it's green, that's great.

Mayor Burt: I think that's a correct framing of 52 and 55. We'd be voting on whether we want that to be reprioritized so that it comes back sooner than it otherwise might or more certainly than it otherwise might. This other thing that I proposed is whether we take a look at exemptions or whatever on an interim basis. Let's vote on each of those three separately. On 52, do we think that we want the other commercial districts to come back sooner than Staff was planning? That's two. What's that? Three.

Vice Mayor Scharff: I just want it to come back before the ordinance expires. That's different to me than before (crosstalk).

Mayor Burt: Let me reframe it then. Do we want to make sure that 52 comes back to us adequately before the ordinance expires?

Council Member Berman: Greg Schmid doesn't agree (inaudible).

Mayor Burt: Same question on 55, which is Downtown. Same question.

Ms. Gitelman: That is yellow because it's going slower than we would hope, but it is programmed to come back before the ordinance expires in April of 2017. It's yellow.

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Mayor Burt: Is it programmed ahead of 52?

Ms. Gitelman: Yes, 52 is currently red.

Mayor Burt: Fifty-five, you're saying is really already meeting our concern. We just drop it from ... We don't need to reprioritize. I guess the question we'll vote on is—Hillary has just clarified that 55 is already coming back comfortably before the expiration of the urgency ordinance. The only vote we would be having is if we want to have it come back even sooner. Anybody want to have it come back even sooner?

Council Member Kniss: I don't care about that, but (inaudible).

Mayor Burt: Just a second.

Council Member Kniss: Going along with that is what you suggested, the modification.

Mayor Burt: Right. That's next. That's next. We just had 55 that didn't have any support. Finally, the one on potential modifications to the urgency ordinance prior to a permanent ordinance. All those who would like to see that.

Mr. Keene: (inaudible) just out of curiosity.

Vice Mayor Scharff: Can I answer that?

Mayor Burt: Yeah.

Vice Mayor Scharff: I think that there are certain circumstances in the City where it's simply unfair to the people, and it doesn't make any sense. Under the ordinance, Staff would probably just deny it. I think Staff should bring those to us. If Staff has some—let's, for instance, say if it wasn't even zoned retail to start with, you might just want to put something that says if it wasn't zoned retail originally, maybe you don't have to have retail.

Mayor Burt: I think without the Council giving some sort of guidance to Staff, Staff is not going to feel comfortable with bringing forward recommendations for exemptions, because the last thing they got was a rigid moratorium; although, I thought at the time that we had discussions we anticipated that it wasn't going to be a rigid moratorium for two years solid. We voted. Unless anybody has a different vote. Are we still five?

Council Member Holman: Clarification. What we're saying was that it'll come to the Council before the April 15, 2017, but does Staff really have good guidance on what we want to come back?

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Ms. Gitelman: If I can interject. We need to talk internally about the idea of amending an urgency ordinance. From the Staff perspective, there are a lot of things about that Citywide ordinance that we've found it very challenging to apply fairly. I think this is a great idea in concept, but first of all it's not resourced. Second of all, we need to have a conversation about how we can legally do it. I think we'll ...

Mayor Burt: That's okay. All we're doing tonight is say that we have an interest in doing that. You could come back and say if we could do it, we can't do it, we can do this.

Mr. Keene: I would like to say in general, both in the interest of time and us not doing what we do late at night, you're identifying what changes you want to see. We'll come back and tell you how that might be accomplished. We have to have some follow-up.

Mayor Burt: We're just identifying (crosstalk).

Mr. Keene: You're just identifying, right. I think it would be a mistake to try to trade stuff off tonight.

Mayor Burt: Not the specific changes. Let's do that one again. We're voting on whether we want Staff to come back with potential modifications to the urgency retail ordinance. Five. Next is 39. It says it's CC(2); the Staff Report had it wrong. It should say CC(2). This is whether to reprioritize changes to that zoning area specifically around Cal. Ave. or was this ...

Male: (inaudible)

Council Member Wolbach: Can we get a quick reminder from a colleague or Staff on what the CC(2) zoning was and what the amendments would entail?

Mayor Burt: Yeah. Tom, you want to go ahead and take a cut at it?

Council Member DuBois: I believe most of Cal. Ave. itself is zoned CC(2) which would be a 50-foot height limit. There was some discussion about potentially going down to maybe 35 CN zoning. Again, how do we keep Cal. Ave. weird basically was the discussion, I think, at the time. If anybody else has a different recollection.

Council Member Berman: I thought it was adjusting FAR.

Council Member Holman: If I can chime in on that just a little bit. Mayor Burt and I talked about this for a long time because California Avenue, the CC(2) zoning is higher zoning than it is Downtown. That's why it's been kind

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of on this list for a long time of looking at it to see about adjusting that zoning.

Mayor Burt: I do think this is something we need to look at long term. One of the things I was told was that we're not getting a bunch of those projects because they would require a lot combining. I probably could be persuaded that even though it's something we want to do, I'm not sure that it's so urgent and, in my mind, it now ties in with what we want to do in residential zoning in the Downtown areas. For that reason, I'm not going to support accelerating those, not because I don't think we need to do it eventually. Let's go ahead. Those who think that Item 39 should be placed at a higher priority than we have before us. Four. Parking access revenue controls, that's for the Downtown garages. I'm sorry. It was told to me earlier, but can someone remind me the hold-up? We thought we were ready to go—I think you explained, Hillary, but I've forgotten. Why is this now on red?

Ms. Gitelman: Both the parking access and revenue controls and the parking guidance systems are being sequenced to follow the paid parking study. The parking study will not only determine if we can finance them with parking revenues, but it will help us determine what kind of access and revenue controls we want to us in our lots and garages.

Mayor Burt: When would the paid parking study be done?

Ms. Gitelman: It's scheduled to be finished by the end of the year.

Council Member Holman: Mr. Mayor, Number 33 was put—my notes say that Number 33, which is the paid parking, is also in the parking lot list.

Council Member Berman: It seems like it'd be green.

Vice Mayor Scharff: It's green.

Mayor Burt: What's the question?

Council Member Holman: My question about it is—it seems like that's gotten a life of its own without Council direction, unless I'm not remembering well. For me, I think it should be downgraded.

Mayor Burt: I think there was Council direction on that as part of our last (crosstalk).

Council Member Holman: If paid parking is parking meters ...

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Mr. Keene: That could be parking meters, yes. We've had discussions about the need for a comprehensive parking strategy to make any of the parking options work.

Mayor Burt: Which included I believe specifically consideration of paid parking. Not that we've made a decision to do it, but I believe that was Council direction within the—it was part of the—when we had the comprehensive parking strategy, that was one of the components of it. We endorsed going forward with that series of components.

Council Member Holman: Every time I hear paid parking these days, it just refers to parking meters alone. I don't remember that being guidance from the Council.

Council Member DuBois: (inaudible) years ago.

Mayor Burt: No, the last time that we had the comprehensive Downtown parking was in the last 9, 12 months.

Ms. Gitelman: I think we talked about it in the context of a number of items, and then we did bring the contract forward for Council approval with a scope of work. We're not jumping to the conclusion that parking meters are the answer. We're looking at a whole host of possible approaches. We're really trying not to predetermine the outcome.

Mayor Burt: We've had that clarification that we have not made—this is not saying that we have a determination of what we will do. We are definitely studying this (crosstalk).

Mr. Keene: I think there's two questions here, real quickly. Is this a study that the Council thinks we'd be better off not having versus having it to inform some choices? Secondly, with all due respect, we were sort of hoping we'd go in the other direction on these updates. If we have to not take stuff off that we've already been really working on and investing because ...

Mayor Burt: That doesn't erase the time you're already spent? I thought we'd get all that back. I think that—clarifications. Unless we subsequently—if a Council Member finds in the records that this is in error, then so be it. It was within the comprehensive parking program that we supported, this was a defined element. This is to study it, not a determination that's been made on the outcome. Thirty-five, I see.

Council Member DuBois: Are we suggesting it happen before this study is done? The report says it's red, waiting for the study.

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Mayor Burt: What Hillary clarified is that we can't proceed on 35 for practical reasons until after the paid parking study. That's my understanding.

Council Member Berman: Or 40, I believe.

Mayor Burt: We can't do either of those.

Ms. Gitelman: In terms of our budgeting process, we don't have funding for either of these until—we're hoping that the paid parking study will help us identify a funding stream. We also think the paid parking study will help us identify the type of equipment and improvements we need to make to achieve the access and revenue components.

Mayor Burt: Let me just say on 40, are we saying that unless we have paid parking, we'll never have a parking guidance system?

Ms. Gitelman: That's just our proposal in looking at the CIP when we all got together.

Mayor Burt: I'm looking at sequencing.

Mr. Keene: I didn't think that that's what we were saying. I did think we were thinking that there might be integration issues between different parking strategies that would be good to be aware of.

Mayor Burt: I asked that to try and figure out whether these have to be sequenced or they can be done in parallel.

Ms. Gitelman: The parking guidance could absolutely be done in parallel if there was funding. It's at the point where we have to invest resources in final design and construction. We need that funding to move forward with those steps.

Mayor Burt: It's now at the point where it would need to be ...

Ms. Gitelman: We'd need to come up with a bid package.

Mayor Burt: We would either have to have General Fund requirements, transportation tax or paid parking. I get it. Vice Mayor Scharff.

Vice Mayor Scharff: Given that, Hillary, are you saying that it's the parking guidance systems we could move forward on now if we had the funding?

Ms. Gitelman: That's correct.

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Vice Mayor Scharff: The other one, we should wait—this confused me a little bit. The other one we should wait for the parking study, but yet previously at Council we were ready to go.

Mr. Keene: Lalo, can you update us?

Mr. Perez: Yes. Right now we don't have a funding identified. One of the things you'll hear us talk to you on the 13th is that our priority has been what you told us to do which is the Infrastructure Plan, what we call the \$126 million plan you adopted. We've sprinkled in some new projects in there, but we didn't have enough for these two. Some of the discussions that I think we need to have is how should we pay for this. I think there's been some discussions among some of you whether it should be business, should it be the General Fund, a combination. We need to have a discussion with the parking group as well, because maybe we need to look at increasing permit fees as part of that solution. I think it needs more work. Also having the discussions with you earlier about the golf course and the Post Office, we felt that putting these two forward would make it even more difficult.

Mayor Burt: What I in part just heard is that 35 is as much about a policy discussion as it is waiting for the paid parking study. The policy discussion may be additionally informed by the paid parking study. Do we need to wait for the paid parking study to move this forward at a policy level?

Mr. Keene: You don't have to make this decision tonight. Number 1, one of the ...

Mayor Burt: We do if it's going to keep us from going home.

Mr. Keene: No, it's not going to keep you from going home. We're going to be talking at Finance about adjustments to the CIP related to balancing the budget. You gave us some directives, so we'll be coming back to the Council with some potential recommendations from Finance that are moving CIP funding around. You have the opportunity to look at where funding is in the CIP. You very well may decide that you would naturally just agree with where Lalo is right now, in keeping it in Fiscal Year '18 or wherever we've got it, pending the arrival of some other funding streams. You may say you want to figure out how to fund it in advance of that.

Mayor Burt: Can I ask a question? We have in our Infrastructure Plan a Downtown parking garage, at least one. As we debate how big that would be and one or two, does this potentially go into that decision and is it really kind of our same bucket of dollars that we were tentatively putting toward parking garages, some fraction of that might go in this direction?

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Mr. Perez: Right now this would not go into the Plan. It would be separate in the Plan that you adopted. The concern is the longer we delay the project, the costs will escalate. On the flip side, there could be some relief pending the sale of the Post Office, because additional parking in-lieu funds will come in that could help the garage cost.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: I just wanted to follow-up. What I thought we were doing tonight was we're saying we want to—if we vote to elevate these two things, we're not saying what the tradeoffs are or what we don't fund. We then go back to Staff to say what are our options on that. That's how I heard it. I think we should vote to elevate that, because I want to hear from Staff. This is a funding decision. How they would fund this if we said just go fund this?

Mayor Burt: Let's go ahead and vote first on 35, whether we want to look at elevating the priority of it.

Council Member Kniss: Those two together, though, 39 and (crosstalk).

Mayor Burt: Then we vote in succession. (inaudible)

Council Member DuBois: (crosstalk) before we get the report, is that what (inaudible)?

Mayor Burt: We're just saying at this time—let's do hands down, so we get a clarification. We're just saying that we want to—we're giving a sentiment in this case that we want it elevated in priority. I think in this case, Staff would come back and partially answer that question. We're not trying to determine tonight that it would be ahead of the parking study or not. We're saying we want it escalated.

Council Member DuBois: I'm just not sure what that means. (crosstalk).

Mayor Burt: We won't know what it means until Staff comes back with alternatives on how to implement the reprioritization if we voted in favor of it. We won't have that answer tonight. We're just saying that we have an interest in them coming back and giving us alternatives.

Mr. Shikada: If I might, Mayor and Council, perhaps just for clarity. It is worth noting that the Staff position on this matter is that the red is the right sequence or represents the correct sequence. Completing the paid parking study will inform both the policy decision on the type and rates of paying for parking, should that be the recommendation and policy decision for the

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Council, as well as the way it would be implemented in terms of the infrastructure, whether it would be gates or, as you may recall, there was the lights for single-space occupancy or space available, which then are ultimately communicated to the signs that shows where the spaces are available. They are tied together in that way. As such, Staff does believe that completing the paid parking study will provide the baseline information that will make for better decisions on the other two.

Mayor Burt: There's no way to accelerate the paid parking study if everything's (inaudible) on that. Right?

Mr. Shikada: I think the key driver there is data collection as well as the stakeholder engagement, which is under way. Hillary can correct me if I'm wrong. At this point it's not a Staff capacity per se; it's working through the Palo Alto process.

Mr. Keene: We're talking about six months.

Mayor Burt: Six months before we can then begin the next set of things as opposed to six months before we can really move forward (inaudible).

Ms. Gitelman: Can I add just one more thought to this discussion? The parking guidance systems, Item Number 40, is much farther along than the parking access and revenue control item. If there was an interest in prioritizing one of these, we would say parking guidance systems is the one that's ready.

Mayor Burt: Cory.

Council Member Wolbach: My understanding was that we'd already given direction and we'd made at least some tentative decision. I don't have it at my fingertips. We'd come to a conclusion about parking guidance systems. At least accelerating that to yellow, I don't think throws everything upside down. I would argue that at least continuing more exploration around 35 even to the yellow status could ...

Mayor Burt: Did you mean 40 instead of ...

Council Member Wolbach: No, no. I think 40 should be moved to yellow or green and 35—just to say my position here—could probably move to yellow. I understand the Staff comments.

Mayor Burt: Let's vote first on 35 and whether we want to ask Staff to come back on how that could be accelerated. That is three. Let's now vote on 40. That is five. Now, for wrap-up. We've got our straw votes. If we just look

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at the ones that had a majority support, it's rental costs. Does it drop down then to interim modifications to the retail? There's 52 (inaudible).

Mr. Keene: Fifty-two. You didn't put votes up there, but I thought you had a majority.

Vice Mayor Scharff: We did.

Mayor Burt: What was the ...

Ms. Gitelman: It's updating retail ordinance in other districts outside of Downtown and Cal. Ave.

Mayor Burt: Ahead of the schedule you had. Did we call the vote?

Ms. Gitelman: It passed with a vast majority.

Mayor Burt: Whatever, six or seven, something like that. Maybe we can just highlight. Thirty-four highlighted, 52 highlighted.

Mr. Keene: Potential modification.

Mayor Burt: Potential modification highlighted. Item 40 highlighted.

Council Member Holman: When I was making notes, I also had that—I think it was Tom put 42 Individual Review, 43 Eichler, 59 build-to line and 37 ADUs also in the parking lot. That's what my notes indicate.

Mayor Burt: I heard Tom suggest it; I didn't hear ...

Council Member Schmid: I thought (inaudible) affirmation (inaudible).

Council Member Kniss: I think we did. You're correct.

Mr. Keene: That were what?

Council Member Holman: What?

Council Member Schmid: The Planning Director made the case that although they were yellow, they were moving ahead as fast as they could be.

Council Member Holman: I thought 37—Tom, I'm picking up on your comments here. We didn't vote on putting (inaudible) in the parking lot. Somebody just could ...

Council Member Filseth: (crosstalk) postpone reductions until this phase.

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Council Member Holman: Do what?

Council Member Filseth: He suggested a couple of things that were actually downgrades. We said we wouldn't (crosstalk).

Council Member Holman: We're looking at downgrades at a next phase? They're just not up here.

Mayor Burt: It does now question whether our—now that we have four items, do we want to give Staff guidance on what we would reduce in priority to make room for these four?

Council Member Wolbach: Also, do we want to have any more discussion about the others or are we saying we're done with all of those for the evening?

Mayor Burt: We're done.

Mr. Keene: How can you do that quickly? You might suggest some things that wouldn't work anyway. They're not fungible.

Mayor Burt: That's right. How about we offer suggestions and see if—the things that we would reduce would be suggestions as opposed to determinative. One, Staff has to look at kind of the ramifications. Second, there's a budgetary layer to this.

Mr. Keene: Could I make a suggestion? Assuming the City Attorney would let you do this, why don't you guys go home and put some things in some rank order that you would put—and individually send them to us. Then, we have the benefit of knowing what they were as we make our recommendations. Then, they have to come back to the Council. I'm just trying to ...

Council Member Kniss: Of these items here?

Mr. Keene: What you're saying is ...

Mayor Burt: What we'd deemphasize to make room for this.

Mr. Keene: What would you deemphasize in the remaining list. You put five things in your rank—it's the only way to mine a whole bunch of info really quickly.

Council Member DuBois: Just for PCE items.

Mr. Keene: PCE items. Can we do that?

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Vice Mayor Scharff: I don't particularly like it.

Council Member Holman: I just want to be clear ...

Vice Mayor Scharff: I think we should just have—if people want to throw it out. Otherwise, I think Staff should come back to us what they think is—I still think Staff should just come back (crosstalk).

Mr. Keene: That's what we're going—the problem is you're going to suggest stuff, and we're going to say that's not translatable. That person is not working on (crosstalk).

Mayor Burt: How about if put out on the table suggestions for things that we would reduce in priority, but we don't try to make them determinative for Staff? This is just—we're kind of doing what Jim suggested, but we're doing it in public right now. Staff will go back and look at both those and any others that they would recommend, that we may not have suggested. Does that sound reasonable, Jim?

Mr. Keene: Yeah. The question is are you each going to give us one. You're going to give us (crosstalk).

Mayor Burt: Let's see how this goes. Karen.

Mr. Keene: I think you need to do it fast without explanation.

Mayor Burt: I'm trying to be fast.

Council Member Holman: I'll be fast with this. I just want to ...

Mayor Burt: Or we could debate the process more.

Council Member Holman: I just want to clarify that the four that I listed were not all for deemphasizing. Forty-two is Individual Review which was suggested put in the parking lot, but I think Hillary clarified that it actually is almost complete even though it's, I think, yellow on the list, I think. Eichlers, I think we might just have a couple of comments to make about it.

Mayor Burt: What's the point of 42 then, if it's almost complete? Why would we want to vote on reprioritizing it?

Council Member Holman: We could, but the comment was downgrading.

Mayor Burt: (crosstalk) we could. I'm asking why would we, if we got a clarification it's almost complete.

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Council Member Holman: I just want to make sure it wasn't on this list understood as something we wanted to deemphasize.

Mayor Burt: No, we haven't determined anything we're going to deemphasize. We're now going to talk about what we want to deemphasize. We haven't had any discussion about what we want to—any collective discussion about what we want to deemphasize. That's what we're going to try and do and get out of here.

Council Member Holman: I'm trying to say is 42 we did not want to deemphasize.

Mayor Burt: I don't know what "we" is. I hear that you're saying you don't want to. We're going to hear whether we have suggestions.

Council Member Holman: I'm just saying it was in the parking lot, and we haven't discussed it.

Mayor Burt: Forty-two was in the parking—we didn't make any decision to deemphasize by virtue of any voting in the parking lot. That was not part of the parking lot.

Mr. Keene: Here's what you have said that you guys wanted to upgrade. You told us some things. Now, we need to go and tell you what that costs. You've ordered room service; we're going to tell you what it costs. It will help if you could very quickly just say—maybe you go around in rounds, what's the first thing just off the top—39, you could get rid ...

Mayor Burt: I'm going to try and do this expeditiously. Cory.

Council Member Wolbach: I'm happy to offer a couple of suggestions, and I would also just mention that for things where it's just a money obstacle rather than a Staff bottleneck, if it's just a money obstacle, those suggestions for de-prioritizing could potentially come from other departments rather than just being PCE directly. If you want, I'm happy to start off and give my best.

Mayor Burt: I'm looking for people to put on the table any things that they recommend we deemphasize.

Council Member Wolbach: I'm happy to start off then. Forty-three, Eichler Design Guidelines, 58 Downtown cap, 48 ...

Mayor Burt: Wait, wait. Let's ...

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Council Member Wolbach: Fifty-eight Downtown cap, 48 parking study of housing types ...

Vice Mayor Scharff: That's already deemphasized. That's already red.

Council Member Wolbach: Was it?

Vice Mayor Scharff: Yeah.

Council Member Wolbach: Forty-eight was already red?

Vice Mayor Scharff: Forty-eight is already red.

Council Member Wolbach: My mistake. Thank you for ...

Vice Mayor Scharff: You can't get more deemphasized than that.

Council Member Wolbach: For things that are just money items, I'm not saying we need to get rid—by the way, these are all tentative. I'm willing to have a conversation about each of these. Two major ...

Mayor Burt: I'm not. I'm serious that tonight I don't think we can get into a whole long (crosstalk).

Council Member Wolbach: I'm not asking for the discussion tonight. I'm just ...

Mr. Keene: We know how to figure out, whether it's money or Staff. Just tell us what you ...

Council Member Wolbach: I'm not saying that I want to have the conversation tonight. Two major potential places for capital savings, the Post Office 1, and the golf course 72.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: I'd add 49, and then I'd add ...

Mayor Burt: Wait a minute. What's 49?

Vice Mayor Scharff: The speed survey updates. I'd add 50 since it's already completed.

Mr. Keene: Greg, when you say add, are you concurring with these other ones or are you just telling (crosstalk).

Mayor Burt: Are you adding to the list, not ...

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Vice Mayor Scharff: Adding to the list to deemphasize.

Mayor Burt: ... with his, not speaking to Cory's.

Mr. Keene: Thank you. That's the best way.

Mayor Burt: Tom.

Council Member DuBois: I actually disagree with Cory's (inaudible) 49.

Mayor Burt: Wait a minute. I don't know what those are.

Council Member DuBois: (inaudible)

Mr. Keene: Twenty-eight and 49.

Mayor Burt: Greg didn't say numbers.

Vice Mayor Scharff: I did.

Mr. Keene: He said 49 and 50.

Vice Mayor Scharff: No, I did not say 28.

Council Member Wolbach: He said 49 and 50.

Vice Mayor Scharff: I just said 49 and 50.

Mayor Burt: Fifty is moot.

Vice Mayor Scharff: It was a little levity.

Mayor Burt: I know, but I'm trying to get us clear and past the levity. What are we saying?

Council Member DuBois: (inaudible) I would say 28.

Mayor Burt: Fifty you say?

Council Member DuBois: Twenty-eight, 49 and 37.

Council Member Kniss: Clarification, may I?

Mayor Burt: Yeah.

Council Member Kniss: Are we discussing (inaudible)?

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Mayor Burt: No. Basically things that are red we're not going to deemphasize because they're already deemphasized.

Council Member Kniss: (inaudible) where it's already been budgeted through Finance, we're now saying (crosstalk).

Mayor Burt: We're not making decisions tonight. All we're doing is offering to Staff things to consider.

Mr. Keene: If you were in a shooting gallery and you had three shots, what would you shoot at?

Mayor Burt: Tom.

Council Member DuBois: And 56.

Mayor Burt: What is that?

Council Member DuBois: That is—no, scratch 56. Just 49. It's got mine up there.

Mayor Burt: Who else? Eric.

Council Member Filseth: How many you want?

Mayor Burt: Who had 28? There was Midtown. That's Tom's ...

Council Member Kniss: I would make 28 mine as well.

Mr. Keene: Liz has 28. That's it?

Council Member Kniss: I'm just underscoring with that.

Council Member Filseth: I'll take 28, 49 and 37 and 58.

Mayor Burt: Some of it is supporting some of these others. Forty-seven, is that one you said?

Council Member Filseth: Thirty-seven. That was the three.

Mayor Burt: What is 37?

Council Member Filseth: ADUs. And 58.

Mayor Burt: Anybody else? Karen.

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Council Member Holman: Downtown cap just because I think it's part of the Comp Plan.

Mayor Burt: Number?

Council Member Holman: I'm sorry, 58. And 37, ADUs. I don't think there's much return on investment in that.

Mayor Burt: Anybody else? Greg.

Council Member Schmid: Thirty-seven (inaudible) 44 Quarry Road bike, 49 speed surveys.

Council Member Berman: Mr. Mayor?

Mayor Burt: There was one—30, you said was one?

Council Member Schmid: Yeah. (inaudible)

Mayor Burt: Marc.

Council Member Berman: Could I just get a quick—a couple of people brought it up. Could I get a quick update from Staff or a reminder from Staff on what the speed survey updates is? I don't ...

Ms. Gitelman: I'll have to look up the regulatory requirement, but there is a requirement that we periodically take speed surveys on our major streets if we're going to be able to enforce posted speed limits. We are overdue for this project. We're proposing to fund it jointly with the Police Department and do it over two years in two phases.

Council Member Wolbach: It's a State law requirement.

Ms. Gitelman: It is not an uncontroversial project, because you have to set your posted speed limits to reflect how fast people are actually going. It's Staff intensive.

Council Member Kniss: I don't think that's an optional item, is it?

Ms. Gitelman: It is not optional. I don't have the ...

Mr. Keene: Don't worry about it. You (inaudible) we'll come back and tell you (inaudible).

Mayor Burt: Unless anybody has anything to wade in—remember these are just a sense to Staff. They're not directive. Some things that got support

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from multiple Council Members were 49 speed survey, 58 Downtown cap, 28 Midtown ...

Council Member Kniss: (inaudible) Midtown connector 28?

Mayor Burt: Twenty-eight. That was the next one I was saying. Twenty-eight Midtown connector, 37 ADUs, and those were the ones I had as having multiple Council Member support.

Vice Mayor Scharff: Are we just going to do a straw vote on these?

Mayor Burt: No, not even that. I think we've just done it. Those are the only ones that had more than one Council Member speak up. There were several others that had single Council Members suggest. The others were 43, 30, 44 and whatever the Post Office and golf are. On that note, meeting adjourned.

NO ACTION TAKEN

Mayor Burt: I'm sorry. We've got Item 4.

Council Member Filseth: What happened to 3?

Mayor Burt: We did 2 and 3 together.

4. Reports From Council Appointed Officers (CAOs) on the State of the City.

Mayor Burt: I'm sorry. Item 4, anything? Any gripes, Jim, that you wanted to share?

James Keene, City Manager: We'll bring that back as the first item on the (inaudible).

Council Member Kniss: (inaudible)

Mr. Keene: This is your Committee of the Whole.

Council Member Kniss: We will find out.

Mayor Burt: I think we're more up to speed on the status of the projects by far. A lot of these we had gotten piecemeal. We got to do some tentative tweaking on the margins without just piling on.

Mr. Keene: Some of you have said that you didn't (inaudible). I still have this sinking feeling that we came away with more work than less.

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Council Member Kniss: We gave you the assignment of prioritizing them. (inaudible).

Mr. Keene: I think we'll be good on what we do, and we'll (inaudible).

Mayor Burt: We have Harriet here. Hi. Did you want to wade in?

Harriet Richardson, City Auditor: I don't have anything specific to say. It was on the Agenda, so I was up here in case we were going to be talking.

Council Member Filseth: Do you foresee we're going to do this exercise again?

Mayor Burt: This year?

Council Member Filseth: Yeah.

Council Member Kniss: (inaudible) before we leave.

Mayor Burt: No, no.

Mr. Keene: We'll figure out a way to give you—we'll have to figure out how (inaudible) feedback on these adjustments. I don't think—I'll work with the Mayor (inaudible).

Mayor Burt: Eric's question was more before the end of the year. Right?

Council Member Filseth: Yeah.

Mayor Burt: I think tentatively yes. Does that sound good?

Council Member Filseth: I don't know whether to bring this up or not. A non-Brown Act subset of us sort of got together and tried to work on this a little bit over the weekend. One thing we did was produced a spreadsheet version of this, which made it very easy to run through and prioritize things in a big list from high to low. I found that very helpful. If anybody wants the spreadsheet, I can send it out.

Council Member Wolbach: Send it to Staff.

Mayor Burt: Why don't you send it to Staff and see if that's a format that would be useful for the next time we do this.

Mr. Keene: I clearly think, Molly—we'll talk about this. Now that you have the foundation for the work plan and these different pieces, there's nothing that couldn't ask the Council to do pre-work when we come to these

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sessions on their own, so you hit the ground running. We have some ways to assign what things you may want higher, you're concerned about, what things are lower. We could mine it quickly.

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

Council Member Wolbach: I was just going to add that the only minor complaint that I had was that we didn't get very much of this in our packet in advance. It would have been useful to have it in advance to help prepare and make this more efficient. Just tips for next time. Otherwise, this was very productive.

NO ACTION TAKEN.

Adjournment: The meeting was adjourned at 11:17 P.M.

Mayor Burt: Good night all.