Presentations from the
April 22, 2019
City Council Meeting
Fiscal Year 2020 Proposed Budget

Overview

City Council

April 22, 2019
FY 2020 Proposed Budget of $699.2 million

- Citywide budget of $699.2 million is 1.69% lower than FY 2019 budget of $711.2 million.
  - General Fund budget of $230.7 million is 9.5% higher than FY 2019 budget of $210.7 million
- Reduction in full-time equivalent staffing from FY 2019 Adopted to FY 2020 of 8.5 FTE (No layoffs are anticipated)
- City Council direction to proactively contribute to long-term pension liability
  - +$6.2M annual contribution to Pension Trust Fund ($3.9M General Fund)
- Impacts to service delivery as a result of balancing budget with that direction
- Minimal preliminary utility rates changes = average of 5.0% increase
FY 2020 Proposed Budget of $699.2 million

FY 2020 Revenues
$699.2 Million

- Net Sales: 48.0%
- Other Revenue: 8.7%
- Other Taxes and Fines: 0.3%
- Permits and Licenses: 1.6%
- Property Taxes: 7.6%
- Rental Income: 2.5%
- Return on Investments: 1.4%
- Sales Taxes: 4.9%
- Transient Occupancy Tax: 4.2%
- Utility Users Tax: 2.5%
- Use of Reserves/Fund Balance: 9.6%
- Charges for Services: 4.5%
- Charges to Other Funds: 1.6%
- Documentary Transfer Tax: 1.2%
- From Other Agencies: 1.2%
FY 2020 Proposed Budget of $699.2 million

FY 2020 Expenses
$699.2 Million

- Supplies & Material: 30.94%
- Salary & Benefits: 24.27%
- Utility Purchase: 24.27%
- Capital Improvement Program: 19.18%
- Net Transfers: 2.12%
- Allocated Charges: 7.45%
- Contract Services: 6.98%
- Debt Service: 2.82%
- Facilities & Equipment: 0.13%
- General Expense: 2.81%
- Rents & Leases: 2.12%
Highlights of the FY 2020 Budget

- Progressing towards Fiscal Sustainability
- Investing in Workforce Stabilization
- Adding resources to address priorities, such as transportation
- Proactively fund Pension liabilities
- Continue leadership in service delivery evolution, including Public-Private Partnerships
Historical Full-Time Staffing Comparison

Major Changes since FY2018:

• 11.0 elim. Firefighter staffing
• 7.0 elim. for public/private partnerships
• 5.5 elim. public works public services and vehicle staffing
• 2.0 elim. library staffing
• 2.5 elim. appointee office’s staffing
• 0.6 elim. Office of Management and Budget staffing
• Prioritize repurposing existing positions (20 reclassifications)
• Minimal adds for critical needs since FY 2017
Investing in Priorities

• Continued investment in transportation
  ➢ +6.5 FTE since FY 2015, consultant support

• Continued investment in workforce stabilization
  ➢ All labor contracts solidified through FY 2020, most through FY 2021
  ➢ $750k for workforce initiatives invested 1x in FY 2020 → all funds could be > $1.5 M.

• Continued investment in Council Infrastructure Plan ($280.6 M)
Contributions to 115 Trust Fund (All Funds)

Annual contributions to date:

- FY 2017  +$2.0 million
- FY 2018  +$3.5 million
- FY 2019  +$7.9 million
- FY 2020  +$8.5 million

Total principal contributions of ~$22 million

*historical average contribution = $5.5 million/year*

**FY 2020 proposed ongoing contribution = $6.2 million/year**

*Reflects proactive retirement calculation at 6.2% discount rate*
Service Delivery Evolution

Approved changes, example of:

• Animal Care Services partnership with Pets in Need
• Aquatics program partnership with Team Sheeper
• Cross staffing Fire apparatus

FY 2020 Proposed Budget Recommended Changes:

• Adjust Fire Dept deployment model, further cross staffing of apparatus
• Eliminate Librarian, impacting special programming capacity
• Increase replacement cycle for emergency response equip. in OES
• Consolidate landscape maintenance in CSD, & reduce the “Know your Neighbor” grant funding
• Project Safety Net transition to a community collaborative program
2020 Capital Budget Expenditures by Fund - $172.8 Million

- Capital Improvement Fund: 40.9%
- Wastewater Treatment Fund: 16.5%
- Water Fund: 9.2%
- Electric Fund: 11.9%
- Gas Fund: 2.2%
- Wastewater Collection Fund: 4.6%
- Technology Fund: 4.7%
- Stormwater Management Fund: 2.6%
- Vehicle Replacement & Maintenance Fund: 4.3%
- Cubberley Property Infrastructure Fund: 2.1%
- Fiber Optics Fund: 0.9%
- Airport Fund: 0.2%
### 2014 City Council Adopted Infrastructure Plan

<table>
<thead>
<tr>
<th>Project Description</th>
<th>($'s in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Safety Building</td>
<td>$115.5</td>
</tr>
<tr>
<td>California Avenue Parking Garage</td>
<td>50.1</td>
</tr>
<tr>
<td>Downtown Parking Garage</td>
<td>29.1</td>
</tr>
<tr>
<td>Bicycle and Pedestrian Transportation Plan Implementation</td>
<td>20.8</td>
</tr>
<tr>
<td>Charleston/Arastradero Corridor Project</td>
<td>19.6</td>
</tr>
<tr>
<td>Highway 101 Pedestrian/Bicycle Overpass</td>
<td>18.7</td>
</tr>
<tr>
<td>Fire Station 4 Replacement</td>
<td>10.2</td>
</tr>
<tr>
<td>Fire Station 3 Replacement</td>
<td>10.1</td>
</tr>
<tr>
<td>Byxbee Park Completion</td>
<td>3.6</td>
</tr>
<tr>
<td>Downtown Automated Parking Guidance Systems</td>
<td>2.8</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$280.6</strong></td>
</tr>
</tbody>
</table>

[https://www.infrastructure.cityofpaloalto.org/](https://www.infrastructure.cityofpaloalto.org/)
**Timeline**

- Distribute FY 2020 Proposed Budget to Council (TODAY)

- Finance Committee Budget Hearings:
  - May 15th & May 23rd @ 1 PM
  - May 28 (wrap-up) @ 1 PM

- City Council: FY 2019 Utility/PW Rate Changes
  - June 17, 2019

- City Council: FY 2019 budget adoption
  - June 17, 2019
Services Inventory
OUR CITY AT WORK

Creating value for all.
Internal Services
Administrative Services | Human Resources | Information Technology

Public Safety Services
Fire | Police | Office of Emergency Services

Community and Library Services
Community Services | Library

Other City Services
Planning & Community Environment | Development Services | Utilities | Public Works | Office of Sustainability

Council Appointed Offices
Offices of: City Manager | City Attorney | City Auditor | City Clerk
Budget by Program (Library)

- **Total Expenses**: $9.7m
  - Adult Services: 31%
  - Teen Services: 3%
  - Children's Services: 21%
  - Community Connections: 6%
  - Business Operations: 13%
  - Access to Collections: 10%
  - Access to Technology: 11%
  - Digital Literacy Service: 5%
TRANSPORTATION IMPACT FEE NEXUS STUDY & FEE ADOPTION

City Council
April 22, 2019
AB 1600 and Development Impact Fees

• Passed in 1987, AB 1600 (the Mitigation Fee Act) requires that a reasonable relationship, or “nexus,” be established between the projects or mitigations to be funded by an impact fee and the impacts caused by new development.

• Local agency must make certain findings when adopting an impact fee.

• Impact fees may not be used to address existing deficiencies or transportation operations and maintenance costs.

• New development can only be required to address its share of the problem.
Palo Alto Comprehensive Plan Update

The basis of the TIF Nexus Study is the Comprehensive Plan Update.

One of the transportation mitigation measures in the Comprehensive Plan EIR requires new development “to pay a Transportation Impact Fee for all those peak hour motor vehicle trips that cannot be reduced via TDM measures. Fees collected would be used for capital improvements aimed at reducing motor vehicle trips and motor vehicle traffic congestion.”

Program T1.2.2 implements this mitigation measure by calling on the City to formalize TDM requirements and require new development to pay impact fees for trips that cannot be eliminated.
Palo Alto currently has four transportation-related impact fees:

- **San Antonio/West Bayshore Area**, adopted in 1986, current rate: $2.65 per square foot (s.f.)
- **Charleston – Arastradero Corridor**, 2005, current rate: $1,351 per dwelling unit (d.u.), $0.40 per s.f.
- **Citywide**, 2007, current rate: $3,700 per net new PM peak hour trip.
Map of Existing TIF Areas
| **Step 1** | Project Future Growth by 2030  
(based on the Comprehensive Plan Update Final EIR) |
|-------------|-------------------------------------------------------------|
| **Step 2** | Estimate Total & Net New PM Peak Hour Vehicle Trips  
(based on the Comprehensive Plan Update Final EIR, the 2,185 net new PM Peak Hour trips represent 4.4% of the total PM Peak Hour trips) |
| **Step 3** | Identify Impacts or Deficiencies Caused by the Additional Trips  
(based on the Comprehensive Plan Update Final EIR) |
| **Steps 4 & 5** | Identify Projects that Would Mitigate Impacts or Deficiencies and their Cost  
(See List of Capital Improvements, Nexus Study Table 8.) |
| **Step 6** | Calculate the Base Fee to be Charged Per PM Vehicle Trip  
(4.4% of total costs = $17,230,400 divided by 2,185 trips = $7,886) |
Transitioning to a Single Citywide TIF

• Two area-specific fees (San Antonio/West Bayshore & Stanford Research Park) would “sunset” & current balances would be expended on appropriate projects.

• One area-specific fee (Charleston-Arastradero) would remain in place until the improvements envisioned have been completed. This project is currently underway.

• The City-wide fee would be updated and increased as envisioned in the 2030 Comprehensive Plan.
TIF with Required TDM Trip Reductions

Current Citywide TIF: $3,700 per PM peak hour trip

Proposed Citywide TIF: $7,886 per PM peak hour trip

TIF amount will continue to be adjusted annually, using Construction Cost Index.

The Comp Plan also requires developers to reduce peak-hour vehicle trips as shown below. Staff applies these TDM reductions before calculating the TIF Fee:

- Downtown: 45%
- California Avenue area: 35%
- Stanford Research Park: 30%
- El Camino Real Corridor: 30%
- All other areas of city: 20%
## Project Example #1

### Office development with 50,000 s.f. near California Avenue

<table>
<thead>
<tr>
<th></th>
<th>Current TIF</th>
<th>Proposed TIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>PM peak hour trips generated</td>
<td>58</td>
<td>58</td>
</tr>
<tr>
<td>35% Reduction, per Comp Plan</td>
<td>-20</td>
<td>-20</td>
</tr>
<tr>
<td>Net PM peak hour trips generated</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td>Impact Fee per PM peak hour trip</td>
<td>$3,700</td>
<td>$7,886</td>
</tr>
<tr>
<td>Resulting fee</td>
<td>$140,600</td>
<td>$299,668</td>
</tr>
</tbody>
</table>

*In order to simplify this example, no credit was given for existing uses.*
## Project Example #2

Multi-family housing development with 80 units on El Camino Real

<table>
<thead>
<tr>
<th></th>
<th>Current TIF</th>
<th>Proposed TIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>PM peak hour trips generated</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>30% Reduction, per Comp Plan</td>
<td>-11</td>
<td>-11</td>
</tr>
<tr>
<td>Net PM peak hour trips generated</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>Impact Fee per PM peak hour trip</td>
<td>$3,700</td>
<td>$7,886</td>
</tr>
<tr>
<td>Resulting fee</td>
<td>$88,800</td>
<td>$189,264</td>
</tr>
</tbody>
</table>

*In order to simplify this example, no credit was given for existing uses.*
### Project Example #3

**Office development with 200,000 s.f. in Stanford Research Park, replacing a 100,000 s.f. R&D building**

<table>
<thead>
<tr>
<th></th>
<th>Current TIF</th>
<th>Proposed TIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>PM peak hour trips generated</td>
<td>230</td>
<td>230</td>
</tr>
<tr>
<td>30% Reduction, per Comp Plan</td>
<td>-69</td>
<td>-69</td>
</tr>
<tr>
<td>Credit for existing use (100 KSF R&amp;D)</td>
<td>-49</td>
<td>-49</td>
</tr>
<tr>
<td>Net PM peak hour trips generated</td>
<td>112</td>
<td>112</td>
</tr>
<tr>
<td>Resulting citywide fee</td>
<td>$414,400</td>
<td>$883,232</td>
</tr>
<tr>
<td>Stanford Research Park fee</td>
<td>$1,285,000</td>
<td><strong>Fee Expired</strong></td>
</tr>
<tr>
<td>Total Fees</td>
<td>$1,699,400</td>
<td>$883,232</td>
</tr>
</tbody>
</table>
## Project Example #4

Hotel on San Antonio Road with 300 rooms, replacing ~ 25,000 s.f. office

<table>
<thead>
<tr>
<th></th>
<th>Current TIF</th>
<th>Proposed TIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>PM peak hour trips generated</td>
<td>180</td>
<td>180</td>
</tr>
<tr>
<td>20% Reduction, per Comp Plan</td>
<td>-36</td>
<td>-36</td>
</tr>
<tr>
<td>Credit for existing uses (25,000 s.f.)</td>
<td>-29</td>
<td>-29</td>
</tr>
<tr>
<td>Net PM peak hour trips generated</td>
<td>115</td>
<td>115</td>
</tr>
<tr>
<td>Resulting citywide fee</td>
<td>$426,425</td>
<td>$908,862</td>
</tr>
<tr>
<td>Charleston-Arastradero fee</td>
<td>$52,000</td>
<td>$52,000</td>
</tr>
<tr>
<td>San Antonio/West Bayshore fee</td>
<td>$344,500</td>
<td>Fee expired</td>
</tr>
<tr>
<td>Total fees</td>
<td>$822,925</td>
<td>$960,862</td>
</tr>
</tbody>
</table>
# TIF Exemptions

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>Existing</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single family home remodels or additions</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Junior accessory dwelling units and certain accessory dwelling units established by garage/carport conversion</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>100% affordable housing projects</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Below market rate housing units provided in excess of the number required by ordinance</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>City buildings and public schools</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Retail, personal service, or automotive service uses that are 1,500 sq. ft. or smaller</td>
<td>X</td>
<td>50% of new retail trips</td>
</tr>
<tr>
<td>Daycare, nursery schools and preschools</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
Monitoring TDM Plans

• Trip Reduction Monitoring has been established in the PCE workflow.
• Monitoring reports are due two years after building occupancy and every year thereafter.
• Planning Director has authority to modify non-compliant programs and impose penalties.
• An updated TDM ordinance and administrative guidelines are forthcoming.
Next Steps

- City Council Public Hearing (Tonight)
- Second Reading
- 60 Days
- New Fee Collection Begins
- TDM Ordinance & Guidelines
Recommendation

- Accept the Draft Nexus Study
- Adopt the Proposed Ordinance
  - Modifying and increasing the Citywide TIF
  - Clarifying the updated TIF exemptions
  - Suspending collection of two area-specific fees (Stanford Research Park/El Camino and San Antonio/West Bayshore)
  - Amending the Municipal Fee Schedule to reflect the changes
  - Finding the ordinance within the scope of the Comprehensive Plan EIR
Workplan for Potential Revenue Generating Proposals
Incl. Consideration of a Ballot Measure
(2019 Fiscal Sustainability Council Priority)

City Council Item #13
April 22, 2019
Fiscal Sustainability

Services

Cost of doing business

Resources
2019 Fiscal Sustainability Workplan

- Approved and resourced
- Approved, not yet resourced
- Proposed, not yet resourced

M. Analysis of revenue generating options

N. Develop a plan for a business tax proposal, including reform of the business registry through implementation of a business license program.
Proposed Timeline

April

5/13: Council approves AECOM contract amendment
4/22: Council: Confirms direction Re Working Group and Alternatives
Council Establishes and Appoints Working Group Members

8/12: Council receive WG status and check in
6/18: Finance Cmte accepts staff's preliminary analysis of Revenue Generating Proposals

November

10/16: Community Meeting
10/28: Council receive info; Pick preferred solution
8/20: Finance Cmte accepts refined analysis of Revenue Generating Proposals and forwards to Council
9/16: Council reviews Finance Cmte regarding Revenue Generating Proposals
10/28: Council provides guidance on Revenue Generating Proposals to further pursue
Roles & Responsibilities

Finance Committee
- Public body to review reports, allow public discussion, and provide feedback
- Recommend a preferred revenue generating proposal(s) for City Council action.

City Council
- Governing body for policy direction at key decision points (e.g. direction to conduct polling, approval of alternatives to be evaluated)
- Decision on specifically what and when to place a ballot measure on an upcoming election

Staff
- Manage and synthesize work done in-house and by consultants
- Conduct and incorporate stakeholder feedback
Staff Considerations

• Balance need to provide information timely due to high community engagement with providing thorough and well educated analysis of potential paths

• Required timeline necessary for a November 2020 ballot
  ➢ Including potential complexity of a proposed measure

• Engagement of stakeholders including the business community on potential revenue strategies (constructive and inclusive manner)

• Support decision-making related to major projects underway and discussions of funding needs
  ➢ Rail grade separations, Cubberley Master Plan, Transportation Management Association, Housing, etc.
Recommended Action

Approve the draft workplan for addressing elements M and N of the 2019 Fiscal Sustainability workplan:

Element M) Analysis of revenue generating options, and

Element N) Develop a plan for a business tax proposal, including reform of the business registry through implementation of a business license program.
• Overview of Current Timeline
• Working Group Considerations
• Grade Separation Workplan
• Alternatives to Study
• Process for Evaluation Criteria Weighting
• AECOM Contract Amendment Status
• Discussion and Recommendations
Summary of March 18 Rail COTW Action

• Update timeline with a decision date in October 2019;
• Create a dynamic model that orders the alternatives based on the criteria;
• Develop plan for a community working group which reports to Council;
• Compile a list of ongoing questions and answers from the Council Committee of the Whole; and
• Amend AECOM contract to continue work to assist the City with the selection of a preferred solution for environmental review.

Link to March 18, 2019 Agenda and Minutes:
https://cityofpaloalto.org/gov/agendas/council/default.asp
Overview of Current Timeline

- 5/13: Council approves AECOM contract amendment
- 5/29: WG Meeting #1
- 6/19: WG Meeting #2
- 7/17: WG Meeting #3
- 8/12: Council receive WG status and check in
- 8/20: Finance Cmte accepts refined analysis of Revenue Generating Proposals and forwards to Council
- 6/18: Finance Cmte accepts staff's preliminary analysis of Revenue Generating Proposals
- 9/11: WG Meeting #5
- 9/25: WG Meeting #6
- 10/23: WG Final Meeting (#7)
- 10/16: Community Meeting
- 9/23-10/4: Polling
- 10/28: Council provides guidance on Revenue Generating Proposals to further pursue
- 10/28: Council receive info; Pick preferred solution

Attachment A: Zoomed In Timeline – Note: the dates in the timeline are approximate.
Options to Consider for the Role of the Working Group:

A. Expanded Working Group with Recommendations that the Council would anticipate accepting as presented

B. Expanded CAP Group with input but not Recommendations to the Council

C. Expanded Working Group with Recommendations that are one of many inputs that Council will consider as Council makes the final decision (the following slides relate to this and reflect COTW direction)
Proposed Purpose:

The Community Working Group would:

• Recommend to the City Council a preferred grade separation alternative for the southern segment (Charleston and Meadow) and the middle segment (Churchill) based on existing alternatives already approved by the City Council, available technical information, and the optional funding plans provided by the City.

• Be responsible for helping spread the word about grade separation activities to the broader community.

(Note: The Community Working Group will not consider polling nor the development of any specific local tax measures).
Proposed Membership:

- Based on Council recommendations on March 18 in addition to subsequent discussions with other organizations, staff recommends the following membership:
  - 12 Current Community Advisory Panel (CAP) Members
  - 1 Representative from Stanford University
  - 1 Representative from Stanford Research Park
  - 1 Representative from either Stanford Health or Stanford Shopping Center
  - 1 Representative from the Palo Alto Chamber of Commerce
  - 1 Representative from the Palo Alto Unified School District
  - 1 Representative from the Friends of Caltrain Board
Proposed Structure and Formality:

- On March 18, the Rail COTW recommended a Brown Act group
- Staff recommends a less formal group and role due to the following considerations:
  - State Conflict of Interest Rules
  - Tight Timeframe: The time needed to create a more formal group could mean delays to the timeline to get to a preferred solution in October
  - Limited-Duration Group
  - The current CAP meetings have always been public meetings with recordings
  - Less structured meetings lead to more creative discussion
  - Ability for members to collaborate offline
  - Informal feedback from existing CAP members
Proposed Role:

The Community Working Group, as proposed, would be one form of input to the City Council about the Rail Grade Separation decision. In addition to the Community Working Group’s recommendation for a grade separation preferred solution, the Council will also have the following other data points:

1. Community Poll Results
2. Input from the Parallel Discussions about Revenue Generating Measures
3. Community Meeting Input
4. Technical and Engineering Analysis Related to the Alternatives being Considered

Council will consider all inputs, including its judgment regarding the best interest of the community, in making a final decision.
Proposed Community Working Group Meetings:

• Number of meetings: 7 (scheduled 2-4 weeks apart)
• First meeting: Proposed for the end of May 2019
• Final meeting: Proposed for late October 2019 (before a Council decision)
• Check-ins with Council: The Group would check in with Council in August 2019

*Note: the dates in the timeline are approximate.*
Grade Separation Workplan

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Task</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report to Council as follow up from COTW direction</td>
<td>Staff follow up with recommendations based on the March 18 COTW recommendation</td>
</tr>
<tr>
<td>AECOM Contract Amendment Report</td>
<td>Staff will work with AECOM on scope and schedule given City Council discussion and decisions.</td>
</tr>
<tr>
<td>City Council discuss criteria weights</td>
<td>City Council reviews staff proposed weighting model</td>
</tr>
<tr>
<td>WG Meeting #1</td>
<td>Will review Grade Separation Background as well as the evaluation model from Council; would also get a Brown Act orientation</td>
</tr>
<tr>
<td>WG Meeting #2</td>
<td>Will receive an overview of the alternatives on the table; will also receive an initial financial overview</td>
</tr>
<tr>
<td>WG Report to Council</td>
<td>City Council will receive a Community Working Group status report – Findings to date and questions by the Community Working Group</td>
</tr>
<tr>
<td>WG Meeting #3</td>
<td>Technical and funding review</td>
</tr>
<tr>
<td>WG Meeting #4</td>
<td>Technical and funding review</td>
</tr>
<tr>
<td>WG Meeting #5</td>
<td>Consensus and discussion. Idea is to get the group to agree to land on one alternative per crossing.</td>
</tr>
<tr>
<td>Polling</td>
<td>Polling – the poll will be drafted by a consultant and staff Council will weigh in on it before it goes out. The WG will not edit the questions.</td>
</tr>
<tr>
<td>WG Meeting #6</td>
<td>Community Working Group will approve their report to City Council</td>
</tr>
<tr>
<td>Community Meeting</td>
<td>Receive feedback on the crossings and proposals</td>
</tr>
<tr>
<td>Council Preferred Solution Selection</td>
<td>City Council to select preferred solution – City Council would review the Community Working Group recommendations; polling; and community meeting response (and will have financial data from other process).</td>
</tr>
</tbody>
</table>
Alternatives to Study-Current

Meadow / Charleston Trench
- Lower the railroad below the roadways at Meadow and Charleston

Meadow / Charleston Hybrid
- Partially lower the roads and partially elevate the tracks at Meadow and Charleston

Meadow / Charleston Viaduct
- Raise the railroad above the roadways at Meadow and Charleston on structure

Citywide Tunnel
- Lower the railroad below the roadways in a tunnel

Churchill Ave. Closure
- At-grade crossing to be fully closed at Churchill Ave. with a grade separation for Bike/Ped connectivity

South Palo Alto Tunnel – Scope & Budget
- Tunnel south of Oregon Expressway under Meadow and Charleston (with a variation to separate freight and passenger rail)
Alternatives to Study-For Consideration

**Meadow / Charleston Trench**
- Lower the railroad below the roadways at Meadow and Charleston

**Meadow / Charleston Hybrid**
- Partially lower the roads and partially elevate the tracks at Meadow and Charleston

**Meadow / Charleston Viaduct**
- Raise the railroad above the roadways at Meadow and Charleston on structure

**Citywide Tunnel**
- Lower the railroad below the roadways in a tunnel

**Churchill Ave. Closure**
- At-grade crossing to be fully closed at Churchill Ave. with a grade separation for Bike/Ped connectivity

**Churchill Ave. Vicinity Viaduct**
- Raise the railroad above the roadways in the vicinity of Churchill on structure

**South Palo Alto Tunnel**
- Tunnel south of Oregon Expressway under Meadow and Charleston (with a variation to separate freight and passenger rail)
Process for Evaluation Criteria Weighting

Proposed Process to Weight Evaluation Criteria:

• Staff to schedule item to Council to review a proposed weighting model for criteria

• Council to provide direction to staff regarding the proposed weighting model

• The Working Group would evaluate alternatives using the Council-approved model

• Council would reevaluate the model and determine if any changes are needed
### Process for Evaluation Criteria Weighting

#### One Example Concept:

<table>
<thead>
<tr>
<th>weight</th>
<th>A</th>
<th>Improve East-West Connectivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>B</td>
<td>Reduce traffic congestion and delays</td>
</tr>
<tr>
<td>1</td>
<td>C</td>
<td>Provide clear safe routes to school for pedestrians and bikes</td>
</tr>
<tr>
<td>1</td>
<td>D</td>
<td>Support continued rail operations</td>
</tr>
<tr>
<td>1</td>
<td>E</td>
<td>Finance with feasible funding sources</td>
</tr>
<tr>
<td>1</td>
<td>F</td>
<td>Minimize right-of-way acquisition</td>
</tr>
<tr>
<td>1</td>
<td>G</td>
<td>Reduce rail noise and vibration</td>
</tr>
<tr>
<td>1</td>
<td>H</td>
<td>Maintain and improve local access</td>
</tr>
<tr>
<td>1</td>
<td>I</td>
<td>Minimize visual changes along the corridor</td>
</tr>
<tr>
<td>1</td>
<td>J</td>
<td>Minimize disruption and duration of construction</td>
</tr>
<tr>
<td>1</td>
<td>K</td>
<td>Order of magnitude cost</td>
</tr>
</tbody>
</table>

**Viaduct (Impact: 133)**

**Hybrid (Impact: 150)**

**Trench (Impact: 184)**

- **Less Impact**
- **More Impact**
A contract amendment is needed for the AECOM Contract. Details:

- **Scope:** The scope will be updated to include changes proposed in the Rail Workplan.

- **Amount:** The changes as of March 18 total to greater than $500,000 – this will increase with items from the Rail Workplan.

- **When will it Come to Council:** May 13-tentative (May need more time to adjust based on tonight’s conversation).
In developing the recommendations that follow, staff sought to balance the following:

• The need to continue to progress toward a preferred solution while community engagement is high

• The need to minimize concern for residents potentially impacted by alternatives

• The need to engage the business community on potential revenue strategies in a constructive and inclusive manner (refer back to the previous agenda item)

• The need to proceed in a timeframe that supports decision-making
Council Decisions

Adopt the Rail Workplan and Include:
• An informal Community Working Group with some version of the proposed membership
• Update the list of alternatives for study to include a viaduct in the vicinity of Churchill and remove the South Palo Alto tunnel variation
• Direct staff to return to Council with a contract amendment for the AECOM contract which reflects all aspects of the Rail workplan

Materials for this meeting will be posted to: www.cityofpaloalto.org/ConnectingPaloAlto