The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:01 P.M.

Present: Cormack, DuBois, Filseth, Fine, Kniss, Kou, Tanaka

Absent: 

Closed Session

1. CONFERENCE WITH CITY ATTORNEY-EXISTING LITIGATION
   Santa Clara County Superior Court, Case No. 16CV300760
   (One Case, as Defendant) – Miriam Green v. City of Palo Alto
   Authority: Government Code Section 54956.9(d)(1).

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

   MOTION PASSED: 6-0 Kniss absent

   Council went into Closed Session at 5:02 P.M.

   Council returned from Closed Session at 6:00 P.M.

   Mayor Filseth announced no reportable action.

Special Orders of the Day

2. Resolution 9826 Entitled “Resolution of the Council of the City of Palo Alto Expressing Appreciation to Stacey Henderson Upon her Retirement.”

   Mayor Filseth read the Resolution into the record.

   Charlie Cullen, Deputy Director Technical Services Police Department remarked that Ms. Henderson had approached her job with enthusiasm and energy. She had served the Police Department and the community well in 28 years with the Police Department. Ms. Henderson was going to be missed.
FINAL MINUTES

MOTION: Council Member Kniss moved, seconded by Council Member Cormack to approve a Resolution expressing appreciation to Stacey Henderson upon her retirement.

MOTION PASSED: 7-0

City Manager Comments

Steve Player invited the public to the first Annual Palo Alto Day on April 28, 2019 at King Plaza. A time capsule buried in 1994 was going to be opened during the event.

Judy Kleinberg, Chair of the Palo Alto 125th Anniversary Celebration reported Palo Alto Day was intended to bring the community together to celebrate the community. She said the birthday party would begin at 1:00 P.M. and events would be scheduled throughout the year.

Study Session

3. Presentation of the City Manager's Proposed Fiscal Year (FY) 2019/20 Budget

Ed Shikada, City Manager reported the Fiscal Year (FY) 2019/2020 Proposed Budget represented an almost $700 million expenditure plan for all funds with more than $230 million in the General Fund. The Proposed Budget represented significant progress on the Council's Priorities and reflected difficult choices.

Kiely Nose, Chief Financial Officer and Interim Director of Administrative Services advised that the $700 million Proposed Budget increased by less than 2 percent year-over-year primarily because of lower capital expenses. The $230 million General Fund Budget increased by 9.5 percent year-over-year because of a more conservative discount rate for pension contributions. Staffing decreased by 8.5 Full-Time Equivalents (FTE). The Proposed Budget assumed the preliminary utility rate increases reviewed by the Finance Committee (Committee).

Steve Guagliardo, Director of Office of Management indicated the largest single component of Citywide revenues was net sales. Salary and benefits, utility purchases and the Capital Improvement Program (CIP) comprised almost 75 percent of Citywide expenses. The Proposed Budget showed progress towards fiscal sustainability, workforce stabilization, transportation and funding pension liabilities. Due to changes in Project Safety Net, streetlights and traffic signals and the Stanford University Fire Contract, General Fund expenses increased by approximately $6 million in FY 2018.
To offset the increase, services and FTEs were reduced. The FY 2020 Proposed Budget incorporated the Council's direction to use a discount rate of 6.2 percent, which resulted in an additional $6.2 million to fund pension contributions across the organization. The Proposed Budget established an independent Office of Transportation. Labor contracts had been negotiated through FY 2020 and FY 2021. Workforce retention initiatives were funded with $750,000 from the General Fund. By the end of FY 2020, contributions to the Pension Trust Fund were expected to total approximately $22 million. Service delivery evolutions were needed to fund the $6.2 million annual contribution to the Pension Trust Fund. Infrastructure Plan projects were anticipated to cost $280.6 million. The FY 2020-2024 CIP Budget contained $169 million for Infrastructure Plan projects.

Ms. Nose stated that Committee Budget hearings would begin on May 15, 2019. Council review and adoption of the Proposed Budget and utility rates were scheduled for June 17, 2019.

Mr. Shikada advised that Staff was preparing a Services Inventory to assist the Committee and the Council in their review of the Proposed Budget. The City's consultant, Concordia, was helping Staff organize details of the revenues and expenses for each program within each department.

Mayor Filseth remarked that the Proposed Budget attempted to balance increasing costs, increasing demand for infrastructure and service and the City's cost structure with revenues.

Council Member Kniss inquired regarding the order in which Infrastructure Plan projects would be constructed. The Public Safety Building and California Avenue parking garage projects were underway. The Downtown Parking Garage Project was on hold.

Ms. Nose indicated the Committee would discuss the timeline and progress of Infrastructure Plan projects. Staff adjusted the timeline for projects due to the deferral of the Downtown Parking Garage Project and the addition of the Downtown parking guidance system.

Council Member Kniss wanted a general idea of the timeline for projects. The Bicycle/Pedestrian Bridge process began in 2011, but her term as Council Member was going to be over before construction began.

Mr. Shikada reported progress was being made on the Bicycle/Pedestrian Bridge.

Council Member Kniss asked if $280 million for Infrastructure Plan projects was set aside.
Ms. Nose clarified that Staff developed a Funding Plan for the Infrastructure Plan; the Funding Plan included additional debt.

Council Member Kniss inquired whether funding was delaying any of the projects in the Infrastructure Plan.

Ms. Nose replied no and said scopes of work and timelines were delaying the projects.

Council Member Kniss requested completion dates for the Fire Station Number 3 and Charleston/Arastradero Corridor Projects.

Mr. Shikada related that the latest estimate for Fire Station Number 3 was June, 2019.

Mr. Guagliardo reported the Charleston/Arastradero Corridor Project should conclude in FY 2020.

Mr. Shikada explained each project had a specific schedule, but the schedule was subject to Council approval of the Proposed Budget. Approval of the Proposed Budget determined the funding available for projects and the schedule for completion of projects. Many of the projects required approvals from other agencies.

Vice Mayor Fine noted proposed utility rate increases averaged 5 percent. Increasing costs in the Bay Area were driving rate increases. The Services Inventory allowed the Council to consider whether sufficient funds were allocated to programs and goals. In order to fund future pension obligations, structural changes needed to be made.

Council Member Cormack commented that public-private partnerships required time and community participation to reach fruition. The Services Inventory provided information for the average person.

Council Member Kou concurred with Council Member Kniss' comments regarding a timeline for Infrastructure Plan projects. She requested a prioritized list of capital projects by department.

Council Member Tanaka felt a prioritized list of all capital projects was needed. He supported the City making structural changes in order to fund future pensions. He asked if a preliminary Services Inventory was available.

Ms. Nose indicated a Services Inventory for the Library Department was available in the Committee Packet. Services Inventories for other departments were going to be made available during Budget hearings.
Council Member Tanaka requested comparisons of City costs and services with nearby cities and year-over-year changes for Budget items. He encouraged Staff to normalize all costs and to provide Budget tables as spreadsheets. Even though the number of Council Members had decreased, the City Council Budget had increased. Perhaps savings in the City Council Budget was able to be allocated for Council Members to conduct polls. He wanted to know the Unfunded Accrued Liability increase per $1 million increase in salary. He requested the Committee explore the necessity of maintaining positions that had been vacant for a number of years. He wanted to explore a carshare model as an alternative to City fleet of vehicles. He did not understand why Fire Department wages and salaries increased while the headcount decreased and why there were increases in the Information Technology (IT) Department Budget.

Mayor Filseth remarked that the Committee would take Council Member Tanaka's questions under advisement during the Budget Hearings.

Vice Mayor Fine requested Staff pass on Council Member Tanaka's questions to the Committee.

**Agenda Changes, Additions and Deletions**

Council Member Kniss requested the State/Federal Legislation Update be moved forward in the Agenda.

Ed Shikada, City Manager asked when the Council wished to hear the Legislation Update.

**MOTION:** Council Member Kniss moved, seconded by Vice Mayor Fine to move “State/Federal Legislation Update/Action” forward, to be heard at this time.

**MOTION PASSED:** 7-0

**State/Federal Legislation Update/Action**

Council Member Kniss presumed the announcement that the City opposed Senate Bill (SB) 50 was based on the Council's approval of the Position Paper from the Santa Clara County Cities Association (Cities Association). She preferred the City's position on a bill be based on a Council vote.

Vice Mayor Fine concurred with Council Member Kniss' comments.

Council Member DuBois remarked that the Council had debated the matter during the prior Council meeting.
Council Member Kou indicated the Position Paper stated the Cities Association opposed one-size-fits-all legislation. Numerous letters were sent to various agencies without Council review.

**Oral Communications**

Justine Burt suggested four, six, and eight-plex housing could provide affordable housing and build a sense of community.

Gail Price endorsed compact and dense housing adjacent to transit areas as a means to attaining climate goals.

Hilary Glann encouraged the Council to develop a proactive housing plan.

L. David Baron urged the Council to promote infill housing and to allow more dense development around centers.

John Kelley commented that the Council's decisions regarding climate change and housing affected the residents of Palo Alto and the state.

Kelsey Banes remarked that urgent actions in response to climate change were needed.

**Minutes Approval**

4. Approval of Action Minutes for the April 8, 2019 Council Meeting.

**MOTION:** Vice Mayor Fine moved, seconded by Mayor Filseth to approve the Action Minutes for the April 8, 2019 Council Meeting.

**MOTION PASSED:** 7-0

**Consent Calendar**

Council Member Kou registered a no vote on Agenda Item Number 11.

Margaret Adkins, speaking regarding Agenda Item Number 8 thanked the Council for negotiating a fair contract with the Service Employees International Union (SEIU) and for addressing recruitment issues.

Ed Shikada, City Manager acknowledged the work of all parties in negotiating the SEIU contract. Under the contract, compensation for certain position classifications and critical vacancies were adjusted.

**MOTION:** Council Member Kniss moved, seconded by Mayor Filseth to approve Agenda Item Numbers 5-11.
5. **Resolution 9827** Entitled “Resolution of the Council of the City of Palo Alto Amending the City of Palo Alto's Deferred Compensation Plan for Regular Employees, and Incorporating an Employer Contribution Provision and Loan Provision by Adoption of the Amended Deferred Compensation Plan and Trust Document.”

6. Approval of Amendment Number 3 to Contract Number C16158064 With BKF Engineers to Extend the Term to June 30, 2019 and Increase Compensation by $44,885 for a Maximum Not-to-Exceed Amount of $583,432 for Additional Design Services Related to the Embarcadero Road at El Camino Real Intersection Improvements Project (PL-15001).

7. Approval of Amendment Number 2 to Contract Number S17167994 With MuniServices, LLC for Sales Tax Consulting Services to Increase the Amount by $40,000 for a new Not-to-Exceed Amount of $125,000 and to Extend the Term Through August 31, 2019.

8. Adoption of a Memorandum of Agreement Between the City of Palo Alto and Service Employees International Union (SEIU) Local 521.

9. Finance Committee Recommends the City Council Approve the 2019 Workplan to Address the City Council Priority, “Fiscal Sustainability”; and Review an Update Regarding the Fiscal Year (FY) 2019 Adopted Budget Referral to Identify $4 Million in General Fund Savings.

10. **Ordinance 5461** Entitled “Ordinance of the Council of the City of Palo Alto Amending the Setback Map of the City of Palo Alto to Eliminate the 50-foot Special Setback Along Hansen Way for 3200 El Camino Real.” (FIRST READING: April 1, 2019 PASSED: 7-0).”

11. **Ordinance 5462** Entitled “Ordinance of the Council of the City of Palo Alto Amending Section 18.18.120 (Grandfathered Uses and Facilities) of the Palo Alto Municipal Code to Adjust Regulations Pertaining to Noncomplying Facilities. California Environmental Quality Act (CEQA): This Ordinance is Within the Scope of the Comprehensive Plan. Environmental Impact Report (EIR) Certified and Adopted on November 13, 2017 by Council Resolution No. 9720; the Ordinance is Also Exempt From Environmental Review Under CEQA Guidelines Sections 15061(b)(3) and 15305.” (FIRST READING: April 1, 2019 PASSED: 6-1 Kou no).”

**MOTION PASSED FOR AGENDA ITEM NUMBERS 5-10:** 7-0

**MOTION PASSED FOR AGENDA ITEM NUMBER 11:** 6-1 Kou no
Council Member Kou opposed Agenda Item Number 11 due to the lack of Council discussion and the removal of the Downtown Development Cap.

Council took at break at 7:22 P.M. and returned at 7:33 P.M.

**Action Items**

12. **PUBLIC HEARING:** Adoption of an Ordinance Amending Title 16 of the Palo Alto Municipal Code to Modify and Increase the Citywide Transportation Impact Fee (Chapter 16.59) and Suspend Application of the Existing Area-specific Transportation Impact Fees for the Stanford Research Park/El Camino Real CS Zone (Chapter 16.45) and the San Antonio/West Bayshore Area (Chapter 16.46), and Amending the Municipal Fee Schedule to Update the City’s Transportation Impact Fees in Accordance With These Changes, all in Furtherance of Implementation of the Comprehensive Plan. The Citywide Transportation Impact Fee is a One-time fee on new Development and Redevelopment Throughout Palo Alto to Fund Transportation Improvements to Accommodate and Mitigate the Impacts of Future Development in the City. This Ordinance is Within the Scope of the Comprehensive Plan Environmental Impact Report (EIR) Certified and Adopted on November 13, 2017 by Council Resolution No. 9720.

Chantal Cotton Gaines, Assistant to the City Manager reported the Nexus Study for the Transportation Impact Fee (TIF) was based on the Comprehensive Plan. A mitigation measure in the Comprehensive Plan Environmental Impact Report (EIR) required new development to pay a TIF for all peak-hour motor vehicle trips that were not able to be reduced through Transportation Demand Management (TDM) measures. TIFs were imposed on the San Antonio/West Bayshore Area, the Stanford Research Park/El Camino Real Service Commercial (CS) Zone, the Charleston-Arastradero Corridor; they were imposed Citywide. The Nexus Study projected future growth, estimated the total and net new P.M. peak-hour vehicle trips, identified impacts or deficiencies caused by additional trips, identified projects that mitigated impacts or deficiencies, including their cost, and calculated the base fee to be charged per P.M. vehicle trip. In order to transition into a single Citywide TIF, several things needed to happen: 1) the San Antonio/West Bayshore and Stanford Research Park/El Camino Real TIFs needed to sunset; 2) the Charleston-Arastradero Corridor TIF was going to continue until improvements were complete; and 3) the Citywide TIF had to be updated, and increased. The current Citywide TIF was approximately $3,700 per P.M. peak-hour trip. The proposed Citywide TIF was $7,886 per P.M. peak-hour trip with annual adjustments based on the Construction Cost Index. The Comprehensive Plan required developers to reduce peak-hour
trips in addition to paying the TIF. Staff applied TDM reductions prior to calculating a TIF. In February 2018, the Finance Committee (Committee) recommended changes to TIF exemptions. TDM monitoring reports were due the two years following building occupancy, and every year thereafter. The Planning Director had the authority to modify noncompliant programs and impose penalties. Staff planned on presenting an updated TDM Ordinance and Administrative Guidelines to the Council in 2019. If the Council adopted the Proposed Ordinance, the Ordinance would become effective 60 days following its second reading.

Public Hearing opened and closed without public comment at 7:42 P.M.

Council Member DuBois requested the rationale for eliminating the exemption for schools and public buildings.

Ms. Gaines advised that the Committee recommended the elimination of the exemption for public buildings.

Ed Shikada, City Manager explained that an exemption for public buildings was logical as essentially the City would be paying a TIF to themselves.

Council Member DuBois asked if the Proposed Ordinance did not require a TDM for a development with less than 50 peak trips.

Jonathan Lait, Director of Planning and Community Environment explained that the provision was contained in the Municipal Code rather than the Proposed Ordinance.

Council Member DuBois inquired about discussion of changing the Nexus Study metric for P.M. peak trips.

Gary Black, Hexagon Transportation indicated the Nexus Study metric was based on the Comprehensive Plan and the information in its EIR was used as a means to measure P.M. peak traffic and the performance of the transportation system.

Council Member DuBois expressed concern about using the P.M. peak-hour metric because the number of trips was forecasted ahead of time and the peak hour timeframe was small. Focusing on the P.M. peak hour raised the general traffic level when measured. Short drop-off trips associated with ridesharing were not counted as trips, but they generated traffic. Creating complicated forecasts for peak-hour trips utilized City resources. Developers were then motivated to underestimate P.M. peak-hour trips and overestimate TDM impacts. A simpler metric had the potential to be more enforceable, more predictable and less costly. The City was better served
with a TIF based on square footage or a dwelling unit. He requested a response regarding changing the metric.

Mr. Lait noted one method may be more precise in creating a connection between the TIF and the anticipated impact. Staff was working on Code changes to require more aggressive TDM plans. Staff calculated trip generation rates for every development project and they sometimes hired a traffic consultant to provide a third-party review.

Mr. Black reported Staff had shown interest in offering applicants the opportunity to achieve greater reductions through TDM measures than were required, thereby providing an incentive to do that. He thought a schedule for common land uses could be used for a square-footage metric, but P.M. peak-hour trips would have to be used for land uses not found in the schedule. A square-footage or peak-hour metric generated essentially the same numbers.

Council Member DuBois asked if Mr. Black was talking about mixed-use projects.

Mr. Black clarified that a retail development could be a restaurant, a store, a shopping center or a health club, all of which had different trip rates.

Council Member DuBois noted other cities found a nexus for square footage. There seemed to be a correlation between square footage and P.M. peak-hour trips based on the number of cars or size of the building.

Council Member Kniss inquired whether a TIF was assessed only once.

Mr. Shikada answered yes; it was assessed at the time of development.

Council Member Kniss questioned if the City could switch to a metric based on square footage.

Mr. Lait answered yes, theoretically.

Council Member Kniss asked if a change would be difficult.

Mr. Lait responded no and said it would just be different. A square-footage metric did not address peak spreading or support efforts to reduce Single-Occupancy Vehicle (SOV) trips. A light industrial use and an office use had different trip generation rates but had the same square footage measurement.

Council Member Kniss understood a peak-hour metric would address traffic congestion.
Council Member DuBois reiterated that a square-footage TIF could decrease as TDM measures reduced trips. Under the Proposed Ordinance, a change of use triggered a TIF.

Mr. Lait advised that Staff could update studies to reflect a change in the metric.

Mr. Shikada indicated there was an equivalency between square footage and trips; therefore, either could be used. Calculating a TIF was easier with a square-footage metric, but a square-footage metric was not as precise as a peak-hour trip metric. Changing to a square-footage metric involved a significant follow-up in work.

Mayor Filseth understood the issues were the complexity of the calculation and incentivizing trip reductions.

Council Member Cormack regretted that TIFs could be used for projects only. She requested clarification of the effective date of the Proposed Ordinance.

Ms. Gaines said the correct effective date was July 5, 2019.

Council Member Cormack noted the Committee recommended an exemption for daycare uses but not for nursery school or preschool uses. The Staff presentation indicated all the uses were exempt.

Ms. Gaines related that the Proposed Ordinance listed an exemption for all three uses.

Council Member Cormack supported an exemption for public buildings and schools. She requested clarification of the 50-percent choice for retail.

Ms. Gaines relayed that the Committee felt the proposed TIF would be significantly higher than the existing TIF and would be difficult for retail uses to pay. Therefore, the Committee recommended a 50-percent reduction for retail uses to bring the Proposed TIF closer to the existing TIF.

Council Member Cormack requested Staff comment on Ms. Griego's suggestions.

Mr. Lait indicated the language regarding buildings vacant for two years would align City practices with the practices of other cities in the area. His proposal for a change in language was not an issue.

Council Member Cormack preferred not to vote on a major change to the Proposed Ordinance so that Staff could consider the change and then report to the Council.
Ms. Gaines stated the fund balances could be found in the text of the study.

Vice Mayor Fine asked if a change of use would trigger a reassessment.

Mr. Lait answered yes.

Vice Mayor Fine inquired regarding the consequences of the reassessed level being lower than the previous assessed level.

Mr. Lait indicated a TIF would likely not be owed.

Vice Mayor Fine asked if an exemption was provided for Junior Accessory Dwelling Units (JADU) and Accessory Dwelling Units (ADU) created through a garage conversion.

Mr. Lait replied yes.

Vice Mayor Fine inquired whether Colleagues were interested in an exemption for ADUs for the purpose of external use to the house. He inquired about the current amount of retail development.

Mr. Lait responded there was not a lot of retail development.

Vice Mayor Fine inquired whether Colleagues were interested in an exemption for multifamily housing. An exemption for multifamily housing and ADUs had the possibility to incentivize housing production. He too preferred not to vote on a major change. In a few areas, a peak-hour trip metric was probably better than a square-footage metric.

Council Member Kou requested the reasons for removing "capacity" and "services" from Sections 16.59.020(b) and (d).

Mr. Lait suggested the changes were made to be consistent with the work items.

Council Member Kou felt removing "capacity" did not address the necessary number of people that might use the facilities or services. She asked if enhancements of the roads and streets were considered over transportation modes.

Mr. Lait explained that the changes were intended to reflect the list of roadway and transportation improvements on which the Nexus Study was based.

Council Member Kou asked why the focus was on intersection improvements and bicycle and pedestrian roadways rather than the entire package.
Mr. Black related that the list of improvements included multiple improvements, which served the entirety of the transportation system. The word “capacity” was deleted because some of the improvements were safety-oriented. Many of the improvements were capacity enhancements, but others were safety enhancements.

Council Member Kou noted the language in Section 16.59.040(a) was broader. She inquired whether the same regulations applied to affordable housing units once the deed restriction for affordability expired.

Mr. Lait clarified that Section 16.59.040(a) provided an exemption for affordable housing projects. Once the deed restriction expired and affordable housing changed to market-rate housing, the City would not assess a TIF because the use did not change.

Council Member Kou wanted to assess a TIF if affordable housing converted to market-rate housing.

Mr. Lait advised that the issue was a policy decision for the Council.

Molly Stump, City Attorney added that Staff typically negotiated new deed restrictions in conjunction with funding for renovations as the deed restrictions reached maturity. Few affordable housing projects had converted to market-rate housing.

Council Member DuBois inquired regarding the frequency of updates to trip generation numbers.

Mr. Black reported Staff utilized the latest edition of the Institute of Transportation Engineers (ITE) Trip Generation Manual, which was updated every two to three years.

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

A. Find the Ordinance to be within the scope of the Comprehensive Plan Environmental Impact Report (EIR) certified and adopted on November 13, 2017 by Council Resolution Number 9720;

B. Accept the Transportation Impact Fee (TIF) Nexus Study and adopt the Ordinance modifying and increasing the Citywide Transportation Impact Fee, clarifying the updated TIF exemptions, suspending collection of two area-specific transportation impact fees, and amending the Fiscal Year 2019 Municipal Fee Schedule; and
C. Direct Staff to evaluate changing the metric for the fee assessment to be charged based on square footage, add back exemption for City and Public buildings, and bring this back to Council.

Council Member DuBois believed a metric based on objective data was better than a metric based on a forecast.

Mayor Filseth asked if the Motion included adoption of the Proposed Ordinance at the current time or in the future when Staff returned with an evaluation of changing the metric.

Council Member DuBois replied the latter.

Council Member Kou wanted more information about changing the fee assessment.

Vice Mayor Fine believed Staff had offered instances when P.M. peak-hour trips were a better metric than square footage and whether they were more supportive of TDM initiatives.

**SUBSTITUTE MOTION:** Vice Mayor Fine moved, seconded by Council Member Kniss to:

A. Find the Ordinance to be within the scope of the Comprehensive Plan Environmental Impact Report (EIR) certified and adopted on November 13, 2017 by Council Resolution Number 9720;

B. Accept the Transportation Impact Fee (TIF) Nexus Study and adopt the Ordinance modifying and increasing the Citywide Transportation Impact Fee, clarifying the updated TIF exemptions, including the addition of an exemption for public buildings, suspending collection of two area-specific transportation impact fees, and amending the Fiscal Year 2019 Municipal Fee Schedule.

Vice Mayor Fine stated the metric had been standardized and was supported by the Nexus Study.

Council Member Kniss presumed the Substitute Motion included the exemptions. She requested clarification of the exemption for affordable units.

Mayor Filseth explained that the excess units would be exempt from the TIF.

Vice Mayor Fine confirmed that the exemptions stated in the Proposed Ordinance were included in the Substitute Motion.
Council Member Kniss asked Vice Mayor Fine about his intention to exempt ADUs in the Substitute Motion.

Vice Mayor Fine wanted to exempt all ADUs.

**INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, Part B. “... schools and all ADUs ...”

Council Member Tanaka proposed deleting "other planning approvals" from Section 16.59.020(h).

Vice Mayor Fine understood Staff did not believe Ms. Griego's comment about this section was correct.

Mr. Lait did not have an objection to deleting "other planning approvals." For clarity, language of "requires a use and occupancy permit" would be better.

**INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, “Amend the Ordinance Section 16.59.020 (h) to state ‘... gross floor area, or involves a change in use that requires a Use and Occupancy Permit.’”

Council Member Tanaka proposed deleting "and in use (within the two years prior to the time the amount of the fee is calculated)" from Section 16.59.020(e).

Vice Mayor Fine recalled Staff stating this language would be consistent with Ordinances in other cities.

Mr. Black explained that the City's practice was to require a Traffic Study for development when the structure(s) had been vacant for more than two years. By including the language, the Ordinance would reflect the practice.

Council Member Tanaka requested the rationale for stating two years.

Mr. Black indicated two years was consistent with the Santa Clara Valley Transportation Authority (VTA) Traffic Study Guidelines.

Mayor Filseth supported the Substitute Motion.

Council Member Cormack supported the Substitute Motion.
Council Member Kou remarked that an exemption for all ADUs would exacerbate parking congestion in residential neighborhoods. She did not support the Substitute Motion.

Council Member DuBois requested clarification of Section 16.59.020(h) with the proposed revision. He asked if a change in gross floor area would trigger a TIF.

Ms. Stump answered yes.

Council Member DuBois asked if a change in use that did not require a use and occupancy permit was possible.

Mr. Lait related that under Title 16 of the Municipal Code almost all changes of use required a use and occupancy permit.

Council Member DuBois suggested placing a comma after "gross floor area."

Ms. Stump advised that a comma was not needed but could be inserted.

Council Member Kou understood the Proposed Ordinance pertained to TIFs, but each exception resulted in consequences and impacts.

Mayor Filseth was not averse to Staff reviewing a square-footage metric, but the Council needed to take action.

**SUBSTITUTE MOTION AS AMENDED:** Vice Mayor Fine moved, seconded by Council Member Kniss to:

A. Find the Ordinance to be within the scope of the Comprehensive Plan Environmental Impact Report (EIR) certified and adopted on November 13, 2017 by Council Resolution Number 9720;

B. Accept the Transportation Impact Fee (TIF) Nexus Study and adopt the Ordinance modifying and increasing the Citywide Transportation Impact Fee, clarifying the updated TIF exemptions, including the addition of an exemption for public buildings, schools and all ADUs, suspending collection of two area-specific transportation impact fees, and amending the Fiscal Year 2019 Municipal Fee Schedule; and

C. Amend the Ordinance Section 16.59.020 (h) to state “...gross floor area, or involves a change in use that requires a Use and Occupancy Permit.”

**SUBSTITUTE MOTION AS AMENDED PASSED:** 5-2 DuBois, Kou no

Kiely Nose, Chief Financial Officer and Interim Director Administrative Services reported the Council approved the 2019 Fiscal Sustainability Work Plan. Work Plan Elements M and N proposed revenue generating options and a Business Tax. In June, 2019, Staff planned on reviewing preliminary estimates for revenue generating proposals with the Finance Committee (Committee). Staff wanted to obtain consultant assistance to refine revenue estimates for presentation to the Committee in August, 2019. After Committee review in August, 2019, proposals for generating revenues and estimates of those revenues were to be presented to the Council for a decision in October or November, 2019. The Committee was then tasked with reviewing Staff Reports, allowing public discussion and providing feedback to Staff. The Committee was then to recommend a preferred proposal for Council action. The City Council provided policy direction at key decision points. Staff had the task of managing work and coordinating stakeholder outreach. Staff wanted to time the flow of information regarding revenue generating options with other large projects underway in the City.

Bob Moss recommended the Council base a Business Tax on area occupied, consider a low tax for retail uses and a high tax for office uses, and consider traffic impact as a factor of a Business Tax. He thought new revenues needed to be used to hire Public Safety employees, to repair streets, and to expand the hours of operation of libraries and community centers.

David Shen urged the Council to support a local Business Tax and to use the revenue for transportation projects.

Greg Schmid remarked that businesses should pay their fair share of taxes. Residents were a key stakeholder for the process.

Adina Levin, Friends of Caltrain expressed concern about the process timeline because a meaningful discussion of revenue generating proposals was difficult if funding needs were unknown.

Karen Holman noted deficiencies in the 2009 ballot measure for a Business Tax. Long commute times had social and cultural impacts and reduced air quality.

Council Member Kniss inquired regarding the amount and definition of the Business Tax proposed in 2009.
Ms. Holman recalled the language and the purpose of the Business Tax were not well crafted.

Pat Burt indicated the ballot measure proposed using the Business Tax revenue to fill shortfalls in the General Fund. An informal group was exploring the possibility of local communities putting similar Business Tax measures on the ballots in their communities in similar timeframes. The group was interested in using the revenues for local transportation and affordable housing.

Cedric de La Beaujardiere supported a progressive Business or Employee Tax. He thought the ongoing tax should be based on business size and should not place an undue burden on locally owned, small retail and service businesses. He did not support dedicating the tax revenue to grade separations.

Meghan Fraley related lessons learned from Mountain View's Measure P.

Judy Kleinberg, Chamber of Commerce advised that the business community would support a Business Tax that was accountable, transparent, and allocated to improvements that positively impacted the business climate.

**MOTION:** Mayor Filseth moved, seconded by Vice Mayor Fine to approve the draft workplan for addressing elements M and N of the 2019 Fiscal Sustainability Workplan.

Mayor Filseth believed the process would be complicated, but it was the right way to proceed.

Vice Mayor Fine encouraged the Council to identify specific uses for Business Tax revenues.

Council Member Cormack appreciated Staff's proposal for an iterative approach. There were many revenue generating options.

Council Member Kniss felt the most important part of the process would be working with the business community. This was probably the right time to enact a Business Tax.

Council Member Kou wanted a sizable portion, perhaps 30 percent, of Business Tax revenues allocated for affordable housing. She requested Staff provide the Council with the polling that was conducted in 2016.

Ms. Nose agreed to provide a link to the information.
FINAL MINUTES

Council Member Kou inquired whether the process would have its own webpage.

Ed Shikada, City Manager reported Staff had not reached that level of detail in planning the process.

Council Member Kou asked when polling results should be ready.

Ms. Nose advised that polling could occur in the September, 2019 timeframe.

Council Member Kou inquired regarding the number of items in the polling.

Ms. Nose indicated that had not been determined.

Council Member DuBois believed messaging would be extremely important. He hoped the tax would focus on large employers. A large portion of Business Tax revenues needed to be dedicated to transportation and affordable housing, and a small portion needed to be dedicated to the General Fund. He thought implementation and enforcement should drive the type of tax. The stakeholder group, he suggested, should be comprised of residents and businesses of various sizes.

AMENDMENT: Council Member Tanaka moved, seconded by Council Member XX to add to the Motion, “The money from the business tax would go to solving transportation and parking issues.”

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

AMENDMENT: Council Member Tanaka moved, seconded by Council Member XX to add to the Motion “Create a stakeholder group to be made up of primarily business owners.”

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

Council Member Tanaka cautioned the Council about unilaterally imposing a Business Tax.

Vice Mayor Fine believed the biggest risk was not getting the business community to buy into the tax. The Committee planned on working on that issue and others.

Council Member Cormack requested clarification of stakeholder group and stakeholder outreach.
FINAL MINUTES

Michelle Flaherty, Deputy City Manager reported Staff had discussed utilizing focus groups and serial outreach rather than a single working group so that outreach could touch as many people as possible.

MOTION PASSED: 6-1 Tanaka no


Mayor Filseth advised that he would not participate in this Agenda Item because his primary residence was located within 500 feet of the Caltrain right-of-way. He left the meeting at 9:35 P.M.

Council Member Kniss advised that she would not participate in this Agenda Item because she owned real property located within 500 feet of the Caltrain right-of-way. She left the meeting at 9:35 P.M.

Council took a break at 9:35 P.M. and returned at 9:44 P.M.

Chantal Cotton Gaines, Assistant to the City Manager reviewed actions taken at the March 18, 2019 Committee of the Whole meeting.

Wayne Tanda, AECOM reported the timeline spanned six months. At the end of six months, the Council had all the information needed to make an informed decision regarding a preferred alternative for an Environmental Impact Report (EIR). Staff proposed formation of a Community Working Group that would meet seven times in the six-month timeframe. Polling and a community meeting were planned prior to the Council’s October, 2019 meeting. The Council was able to: 1) expand the Community Working Group and accept its recommendations as presented; 2) expand the Community Advisory Panel (CAP) and allow it to provide input; or 3) expand the Community Working Group and accept its recommendations as one of many inputs. A Community Working Group was going to recommend a preferred alternative for the Charleston and Meadow crossing and the Churchill crossing based on existing alternatives already approved by the Council and consider optional Funding Plans provided by the City. The Council was not going to consider polling information or develop any specific local tax measures. The Community Working Group was to be comprised of 12 current CAP members, Stanford University, Stanford Research Park, Stanford Health or Stanford Shopping Center, the Chamber of Commerce, Palo Alto Unified School District (PAUSD) and Friends of the Caltrain Board. Contrary to the Committee of the Whole’s recommendation, Staff proposed
the Community Working Group not be subject to the Brown Act. The six-month timeline began with Council approval of the Work Plan on April 22. In May, 2019, the Council considered an amendment to the AECOM contract and discussion of criteria weights. The first working group meeting was tentatively scheduled for May 29, 2019. In August, 2019 the working group planned on checking in with the Council. Polling and the community meeting was to occur in October, 2019. Finally, the Council was to select a preferred alternative at the end of October, 2019.

Ms. Gaines explained that some alternatives under consideration for Meadow/Charleston were a trench, a hybrid and a viaduct. Some other considerations were: 1) Citywide, there was consideration of a tunnel; 2) possible Churchill Avenue closure; and 3) a South Palo Alto tunnel with a variation of separating freight and passenger rail. Staff suggested the Council consider a viaduct in the vicinity of Churchill Avenue and eliminating the variation for the South Palo Alto tunnel. Staff proposed scheduling an Agenda Item for the Council to discuss and provide direction regarding a weighting model for criteria. The working group was able to evaluate alternatives with the model. An amendment to the AECOM contract was needed to incorporate Council direction from the March 18, 2019 meeting, including suggestions regarding the Rail Work Plan. In drafting its recommendations, Staff considered the need to progress towards a preferred alternative while community engagement was high, to minimize residents' concerns about property impacts, to engage the business community in revenue strategies and to comply with the timeframe for decision-making.

Vice Mayor Fine noted four votes were needed for the Council to take action.

Council Member DuBois inquired regarding the ability of Mayor Filseth and Council Member Kniss to participate in a discussion of a tax that could fund grade separations.

Molly Stump, City Attorney advised that the revenue item was a general discussion of a schedule, of Staff and consultant work and of a timeline. If revenue generating options focused on projects where Council Members were recused, those Council Members may also be recused from participating in those options.

Council Member DuBois requested the primary difference between Options A and C for the working group.

Ms. Stump related that under Option A the working group would guide the discussion to a final decision that the Council would anticipate adopting as presented. Under Option A, the working group needed to be subject to all conflict of interest rules.
Council Member DuBois asked if all the previous working groups had served in an advisory capacity.

Ms. Stump answered yes. Option C was intended to point towards those sets of considerations.

Vice Mayor Fine asked if the working group under Option A was subject to the Brown Act and conflict of interest rules.

Ms. Stump clarified that it would be subject to conflict of interest rules. The Brown Act was a separate issue. If the Council established the body by formal action, including direction to the City Manager to establish the body, the body was subject to the Brown Act.

Council Member Kou requested clarification of potential conflicts of interest.

Ms. Stump explained that a group established as an advisory body was not required to file a Form 700 and was not subject to conflict of interest rules.

Rachel Croft opposed the addition of a viaduct alternative for the Churchill crossing because the structure would have to be constructed on her property line and train passengers could look directly into her backyard.

Jason Matlof requested Council revise the viaduct alternative at Churchill to direct AECOM to consider a viaduct alternative at Churchill or Embarcadero.

Stephen Rosenblum felt a Citywide viaduct was the only equitable alternative. The members of the working group had to represent the entire City.

Megan Kanne hoped the Council supported the informal version of the working group to foster collaboration. A viaduct at Churchill was not necessarily going not resolve the issue at Embarcadero.

David Shen reported CAP members collaborated outside meetings because the CAP was not subject to the Brown Act. If the working group was subject to the Brown Act, it was possible that they would not meet the October, 2019 deadline.

Barbara Hazlett expressed concern that three members of the CAP were residents of the same neighborhood. She recommended the Council rebalance the CAP membership.

Tom Kellerman supported the inclusion of CAP members in the working group.
Cedric de La Beaujardiere supported an informal working group, elimination of the tunnel alternative and adding a viaduct alternative for Churchill.

Sean Hee opposed the Citywide tunnel alternative and adding a viaduct alternative for Churchill.

Adina Levin, Friends of Caltrain agreed to serve on the working group if the Council chose to include a representative from the Friends of Caltrain Board.

Carolyn Schmarzo supported the alternative that had the least impact on neighborhoods and homeowners.

Council Member Kou wanted to know the rationale for Staff not proposing working group members with expertise in areas such as utilities, historical resources, water and emergency services.

Ed Shikada, City Manager anticipated community members with expertise in relevant areas would participate in working group meetings. Staff was going to maintain contact with known experts. The Community Working Group was not to be the only point of input for the Council and Staff.

Council Member Kou asked if CAP members would need to apply for the working group.

Mr. Shikada stated some CAP members expressed interest in participating in the working group. The working group membership was determined by the working group's role, which was defined by the Council.

Council Member Kou suggested Stanford Health and Stanford Shopping Center be included in the Downtown Coordinated Area Plan, rather than the Rail working group.

Mr. Shikada indicated the list of members was taken from the March 18, 2019 Committee of the Whole meeting. Stanford University representatives expressed reservations about their ability to participate in the working group.

Council Member Kou inquired whether the working group was able to request expert guidance.

Mr. Shikada remarked that defining the role of the working group was important in order to control costs. The key distinction of the working group's role was making a decision and providing feedback.

Council Member Kou requested the status of a Study Session with Caltrain regarding its Business Plan.
Ms. Gaines indicated a Study Session had been tentatively scheduled for May 13, 2019.

Council Member Kou wanted to see evidence that the South Palo Alto Tunnel with the variation was infeasible.

Mr. Shikada related that there was no mention of community interest in the alternative once the funding issue was raised.

Council Member Kou believed the tunnel and trench alternatives needed additional study.

Council Member Cormack expressed concern that only two of the working group meetings appeared to be substantive. She supported removal of the Citywide tunnel from the list of alternatives because of the cost and the property impacts. The Churchill crossing and Embarcadero intersection were connected. Under Option B, the working group did not need to file a Form 700 and they were not subject to the Brown Act.

Ms. Stump clarified that the working group would not be subject to the Brown Act if the Council did not take action to establish the working group.

Council Member Cormack inquired whether the working group could provide the Council with input via a list of pros and cons for alternatives.

Mr. Shikada answered yes.

Council Member Cormack noted an application and appointment process for members of the working group. Some members of the community were appropriately engaged in the process, but the vast majority of the community did not understand what was happening.

Council Member DuBois preferred the working group act as an advisory body. Given time constraints, he did not believe the City Manager should form the working group. He had no preference for the working group being subject to the Brown Act. The working group had the potential to be comprised of residents from different neighborhoods, a California Avenue business owner, and a representative from Town & Country, but no representative from Stanford Health or Stanford Shopping Center because the Friends of Caltrain Board was serving as a technical advisor. Staff with expertise relevant to working group discussions were not to be present for those meetings. He thought the working group should have access to technical information, some cost information and information from experts. More Rail Committee check-ins with the Council needed to be scheduled. Working group meetings ought to be substantive rather than just to review
information. He proposed allowing the working group to add two or three new alternatives. He supported elimination of the Citywide tunnel alternative. He wanted less intrusive options at Charleston/Meadow. Creative proposals to improve Embarcadero were needed. He thought the group should be allowed to propose an alternative at Palo Alto Avenue and he expressed concern regarding eliminating the South Palo Alto tunnel alternative. He asked if the budget for the AECOM contract had been expended.

Ms. Gaines reported funds for the existing scope of work were almost exhausted.

Council Member Tanaka concurred with Council Member Cormack regarding the public not being aware of the grade separation discussion and proposals. More polling was needed for alternatives and funding options. He preferred the working group not be subject to the Brown Act. He did not support a viaduct alternative in the Churchill Avenue vicinity or eliminating the Citywide tunnel alternative. He opposed the use of eminent domain.

Vice Mayor Fine generally supported Option C for the working group. A few people with conflicts of interest should be members of the working group. Working group members should be residents of different neighborhoods and a few local businesses. He requested Staff's opinion regarding allowing the working group to propose new alternatives.

Mr. Shikada suggested the working group could brainstorm new alternatives rather than develop specific alternatives. In a workshop setting, the working group discussions had the potential to lead to some new and creative ideas.

Vice Mayor Fine did not wish to preclude the working group from sharing creative and feasible alternatives. The Embarcadero and Churchill issue needed to be addressed. Marketing had to be increased. He requested the rationale for the working group not to provide input regarding polling.

Mr. Shikada clarified that the working group should not make its recommendation based on polling.

Vice Mayor Fine reiterated that the freight and passenger service had to be combined in the South Palo Alto tunnel alternative in order to receive 190 funds. He asked for a definition of vicinity for the viaduct alternative near Churchill.

Ms. Gaines explained that the location should be flexible in order to meet engineering constraints and to incorporate mitigations for Embarcadero.
Vice Mayor Fine concurred with removing the Citywide tunnel alternative.

**MOTION:** Vice Mayor Fine moved, seconded by Council Member Cormack to:

A. Approve the Rail Grade Separation Work Plan as a follow up to the March 18th Committee of the Whole recommendation including a timeline and process by which the City Council would select a preferred solution to begin environmental review;

B. Approve Alternatives to be studied by the Community Working Group; and

C. Direct Staff to return to Council with an amendment to contract C18171057 with AECOM to reflect scope changes and extension to October 2019 for Council selection of a preferred solution.

Council Member Cormack understood the contract amendment for AECOM would be substantial.

Council Member DuBois inquired whether the Council could make recommendations to the City Manager regarding members of the working group.

Ms. Stump replied no. Including such language in a Motion constituted Council action, which would result in a Brown Act body.

Council Member DuBois asked if the Council could direct Staff to invite technical experts to the appropriate working group meetings.

Mr. Shikada stated Staff and the AECOM team would continue to pursue answers to technical questions. In most instances, agencies were not willing to respond to questions about technical issues.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKOR AND SECONDER** to add to the Motion:

A. Add more check-ins with Council. Redefine the Working Group (WG) meetings to cover more ground;

B. Alternatives:
   i. Allow the WG to brainstorm some alternatives such as Embarcadero, Palo Alto Avenue, Meadow and Charleston;
   ii. Remove city-wide tunnel;
iii. Minimize viaducts/elevated trains located behind people’s homes; and

iv. Consider the trench alternative minimizes construction impacts

**MOTION AS AMENDED RESTATABLE:** Vice Mayor Fine moved, seconded by Council Member Cormack to:

A. Approve the Rail Grade Separation Work Plan as a follow up to the March 18th Committee of the Whole recommendation including a timeline and process by which the City Council would select a preferred solution to begin environmental review;

B. Add more check-ins with Council. Redefine the Working Group (WG) meetings to cover more ground;

C. Approve Alternatives to be studied by the Community Working Group including:

   i. Allow the WG to brainstorm some alternatives such as Embarcadero, Palo Alto Avenue, Meadow and Charleston;

   ii. Remove city-wide tunnel;

   iii. Minimize viaducts/elevated trains located behind people’s homes;

   iv. Consider a trench alternative minimizes construction impacts; and

D. Direct Staff to return to Council with an amendment to contract C18171057 with AECOM to reflect scope changes and extension to October 2019 for Council selection of a preferred solution.

Ms. Stump noted the Palo Alto Avenue crossing had been moved to another process.

Mr. Shikada indicated Stanford University was interested in working with the City to plan the area around the Transit Center. He thought the working group should probably not be involved in that because of the complexities of the area.

Vice Mayor Fine asked if the Council had considered a trench located to avoid shoefly tracks.
Mr. Shikada did not recall. The viaduct alternatives were intended to be located adjacent to the existing tracks.

**INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER** to delete Part C. iii. from the Motion.

Council Member Cormack asked if the Council could modify the Work Plan.

Ms. Stump replied yes.

Council Member Cormack related that Part C.i. was too specific.

Council Member DuBois noted the language was "such as."

Council Member Cormack recommended deletion of “Palo Alto Avenue” from Part C.i.

**INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER** to remove from the Motion Part C. i. “Palo Alto Avenue.”

Council Member Cormack commented that Part C.iv. should be discussed in May, 2019.

Council Member DuBois clarified that he was asking for a new trench alternative with fewer construction impacts.

**INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER** to remove from the Motion Part C. “... by the Community Working Group... .”

Council Member Kou expressed disappointment that Part C.iii. had been removed. She was not able to support removal of the Citywide tunnel alternative, Part C.ii.

Council Member Tanaka was not in support of Part C.ii.

Vice Mayor Fine inquired regarding evidence of the Citywide tunnel's infeasibility that would convince Council Member Tanaka to support its removal as an alternative.

Council Member Tanaka wanted to see a full Citywide tunnel alternative and said the video regarding the tunnel was biased. He accepted a less biased analysis determining a tunnel alternative was infeasible or polling that demonstrated the community's willingness to remove the tunnel alternative.
AMENDMENT: Council Member Tanaka moved, seconded by Council Member Kou to remove Part C. ii. from the Motion.

Council Member Cormack recalled someone with some technical expertise stating construction of a Citywide tunnel within the City's boundaries was not possible. The video demonstrated the possible tunnel alternatives, but they all had eminent domain issues. The cost and impacts of a tunnel alternative were significantly greater than the other alternatives.

Council Member Kou questioned the need for the tunnel alternative to swing out.

Mr. Shikada reported the realignment for the shoefly track was necessary for Caltrain service to continue during construction. Community members had not expressed any technical challenges to the evaluation of the tunnel alternative.

Council Member Kou asked about relocating the tunnel in order to reduce property impacts.

INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER to minimize viaducts/elevated trains located behind people’s homes.

Council Member DuBois supported an alternative that minimized a viaduct's impacts on homes.

Vice Mayor Fine supported it as criteria rather than an alternative. The issues around a tunnel alternative were presented and documented extensively.

Mr. Shikada reported in a March, 2019 straw poll; one CAP member supported continued study of the tunnel alternative, seven members supported elimination of the alternative, one member supported delaying consideration to a later date and one member did not vote.

Council Member Kou wanted to know the configuration of the tunnel if the shoefly tracks were in a different location. She wanted to consider each alternative carefully so that the community would not have regrets 30 years in the future.

Council Member Cormack agreed to remove Part C.ii. if the Motion contained a specific date for Staff to provide the information Council Member Kou requested.
Council Member Tanaka reiterated his request for polling regarding the community’s wishes around the tunnel alternative and the request for technical data demonstrating the infeasibility of the tunnel alternative.

AMENDMENT WITHDRAWN BY THE MAKER

INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER to remove from the Motion Part C. ii and add to the Motion “Direct Staff to return to Council with an update on the city-wide tunnel.”

INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER to amend the Motion Part C. ii. to change the word “consider” to “ensure.”

MOTION AS AMENDED: Vice Mayor Fine moved, seconded by Council Member Cormack to:

A. Approve the Rail Grade Separation Work Plan as a follow up to the March 18th Committee of the Whole recommendation including a timeline and process by which the City Council would select a preferred solution to begin environmental review;

B. Add more check-ins with Council. Redefine the Community Working Group (WG) meetings to cover more ground;

C. Approve Additional Alternatives to be studied including:
   i. Allow WG to brainstorm some alternatives such as Embarcadero, Meadow and Charleston;
   ii. Ensure the trench alternative minimizes construction impacts;

D. Direct Staff to return to Council with an amendment to contract C18171057 with AECOM to reflect scope changes and extension to October 2019 for Council selection of a preferred solution; and

E. Direct Staff to return to Council with an update on the citywide tunnel.

MOTION AS AMENDED PASSED: 5-0 Filseth, Kniss recused

Mr. Shikada asked if the Council intended to omit the viaduct alternative at Churchill.

Council Member DuBois indicated the Motion should be "approve additional alternatives" plus the Staff Report.
FINAL MINUTES

Council Member Questions, Comments and Announcements

None.

Adjournment: The meeting was adjourned at 11:51 P.M.