Summary Title: City Council Priorities

Title: Approval of the City Council Priorities Report for Calendar Year 2011

From: City Manager

Lead Department: City Manager

Recommendation
Staff recommends that Council approve the outline of Council priorities for calendar year 2011.

Executive Summary
The City Council held their annual retreat January 22, 2011 and reaffirmed their interest in maintaining the following five priorities for the 2011 calendar year. The Policy and Services Committee reviewed this item at their February 15th and March 8th meetings.

Strategic Priorities

City Finances    Emergency Preparedness    Environmental Sustainability

Land Use and Transportation Planning    Youth Well-Being

Discussion
Since the retreat, staff has compiled a master list of the priorities and key goals under each priority for the City Council’s information. This plan is based on current resource allocations (i.e., staff and financial resources). Thus, should there be a material change in resources staff would return to the City Council with a modified plan. Outlined in the attached documents are the five strategic priorities and goals. The attachments include a master worksheet showing each major priority, key goals, the lead department, and
checkmarks next to each goal indicating crossover with other priorities. For example, completion of the IBRC long-term infrastructure needs is listed in the City Finances (CF) category, but also has potential impacts on Emergency Preparedness (EP), Environmental Sustainability (ES), Land Use and Transportation Planning (LUPT), and incorporates community engagement (CE) and community partnership (CP) components. Several priority items will be done through collaboration and coordination among several city departments. In addition, we have included narrative summaries for each priority with additional details on department actions to be taken to complete the priorities (See attachment B).

**Timeline**

All objectives identified are projected to be completed by the end of calendar year 2011 except where noted in the written summaries.

**Environmental Review**

Environmental review may be required for specific projects and will be undertaken as those individual projects are pursued.

**Attachments:**

- Attachment A: Master Excel Priorities Spreadsheet (XLS)
- Attachment B: Priority Narrative Summaries (PDF)

Prepared By: Katie Whitley, Administrative Assistant

Department Head: James Keene, City Manager

City Manager Approval: James Keene, City Manager
<table>
<thead>
<tr>
<th>City Council Priorities</th>
<th>Department</th>
<th>City Finances</th>
<th>Emergency Preparedness</th>
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<td>Complete labor negotiations with all major bargaining groups</td>
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<td>Complete refuse fund study and stabilization</td>
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<td>Complete economic development strategic plan</td>
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<td>Execute new budget and fiscal measure to help ensure long-term financial stability</td>
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<td>Conduct community exercise</td>
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<td>Evaluate a secondary electrical transmission line source</td>
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<td>Implement recommendations of Foothills fire management plan</td>
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<td>Implement Office of Emergency Services (OES) restructure</td>
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<td>Improve Emergency Operations readiness</td>
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<td>Evaluate construction of composting digester or alternatives</td>
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<td>Evaluate plan to introduce electric vehicle (EV) charging stations at commercial and residential sites and city facilities</td>
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<td>Establish formal collaboration with Stanford University</td>
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<td>Explore methods to integrate Palo Alto Green into city sustainability programs</td>
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<td>Prepare Urban Forest Master Plan</td>
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<td>Complete strategies and plans at the Development Center to improve customer service and accountability</td>
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<td>Complete draft Rail Corridor Study outlining measures to provide for community land use, transportation, &amp; corridor urban design</td>
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<td>Complete Stanford University Medical Center renewal and replacement project</td>
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<td>Substantially complete update of city Comprehensive Plan including draft Housing Element, 2 area Concept Plans</td>
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<td>Facilitate in cooperation with local and regional agencies and organizations development of short and long-term action plan to sustain Caltrain</td>
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<td>Actively participate in preparation of regional Sustainable Communities Strategy (SB375), Regional Housing Needs Allocation (RHNA)</td>
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<td>Prepare Pedestrian and Bicycle Master Plan update</td>
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<td>Monitor fundraising for Magical Street Bridge</td>
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Notes
City Finances (CF)
Emergency Preparedness (EP)
Environmental Sustainability (ES)
Land Use & Transportation Planning (LUTP)
Youth Well Being (YWB)
Community Engagement (CE)
Collaborative Partnerships (CP)
An X means that is the priority whereas a check indicates crossover with other priorities

Department Abbreviations
Administrative Services (ASD), City Manager (MGR), Community Services (CSD), Fire (FIR), Human Resources (HR), Planning and Community Environment (PCE), Police (POL), Utilities (UTL)
City Finances
City Council Strategic Priority Goals for Fiscal Year 2011

City Finances

Executive Summary

City Finance strategies form the foundation for many of the City Council identified priorities. A stable financial picture in the short-term and long-term ensures the City’s ability to deliver on the all five City Council Priorities in the areas of: Emergency Preparedness, Environmental Sustainability, Land Use & Transportation and Youth Well-Being. Sound City Finances are integral to Palo Alto’s quality of life.

A key principle of the City’s Finance objectives is to provide for the City’s finances in the near and long-term. For example, while the City in the normal course of business negotiates labor agreements on a periodic basis the contacts envisioned during the cycle are ones where the City plans to make meaningful long-lasting changes to key City legacy costs (e.g., pension and health care). In addition, the City is working toward developing a sustainable business model for funding ongoing infrastructure needs while also eliminating a major backlog of projects in the City. These efforts will take time and yet this investment is well worth the effort. This work will result in improving and the overall high quality of life Palo Alto citizens have come to rely and expect from their City government. Identified below are five key development goals for 2011:

1. Develop and execute new human resource contracts that help the City manage its labor costs to a sustainable level over the long-term
2. Execute an economic development program that supports and creates new municipal revenue streams to support vital City services and positions the City for the 21st century innovation economy
3. Outline a comprehensive initiative to fund ongoing infrastructure maintenance and fund the large existing backlog of projects. A quality infrastructure base is vital to community quality of life and to the City’s ability to attract and sustain a robust business base to support City services
4. Explore in-depth available potential revenues along with expenditure reductions that enable the City to create a long-term sustainable fiscal ecosystem for the City so as to maintain and ultimately enhance City service delivery and community quality of life. The solution to the City’s finances must be multi-dimensional and incorporate new or enhanced revenues, reset of our long-term labor and a review of new methods to deliver services
Rationale for Goals Selection

City finances are integral to sustaining and enhancing the “dream” of what Palo Alto is all about which is a community with an outstanding quality of life, an innovative community, a community where new ideas thrive and grow, a place where families want to live and send their children to local schools and a place where collaboration, community engagement and community partnerships are part of the inner “fabric” of the place known as Palo Alto.

A solid City financial base, short and long-term is the foundation of all the above. City finances enables the community to provide the vital municipal services necessary to maintain and in Palo Alto to provide the myriad number of enhanced community amenities and programs rarely found in any community in North America of similar size.

There are significant macroeconomic changes occurring today that impact cities. These include a global economic competitive environment, an environment of high economic uncertainty, super rapid change in technological innovation and continued demographic changes impacting the ability of employers to hire and retain talent. In addition, the State of California may be finally facing the reality of restructuring itself where resources are aligned with expenditures and changing the dynamic of the state relationship with local agencies (e.g., redevelopment proposal). If these changes come to fruition it will have profound impacts on local government agencies.

Likewise Palo Alto is experiencing change as an organization. The City has seen the retirement of several senior, mid-level workers over the past two years and this trend is expected to continue given the age demographic of the workforce and new changes in pension and health care benefit levels. All the above trends give the City the ability to think about possibilities that could not be discussed or considered before and to address the critical policy question about what should the City be doing and how should it do it? There is also the opportunity now to:

- Leverage technology and innovate in ways perhaps not considered before
- New ways to structure the organization and organize the work
- Set up new systems and methods to provide services (e.g., privatization)

As referenced recently in the Economist “Innovation is the single most important ingredient in any modern economy”. Palo Alto has the ability to be a leader in local government service delivery innovation if it executes well the City Finances priorities identified herein.
City Finances  
(Labor Negotiations)

Executive Summary

In 2010, Council reaffirmed the importance of attracting and retaining a quality workforce but emphasized the critical need to balance this objective with a commitment to sustainable employee compensation. In addition, Council directed that systemic problems and issues be addressed with systemic solutions. As described in the City’s response to the Santa Clara County Grand Jury Report, the City agrees that unsustainable employee costs must be aligned with available resources, taking into consideration the City’s significant infrastructure needs and the public’s expectation of services. As demonstrated by its balanced budgets, minimal use of reserves, Triple A credit rating, and excellent annual outside audits, the City prides itself on responsible financial stewardship and management. It fully intends to maintain these best practices and adjust costs and revenues as needed. However, progress is dependent on the City’s success in its collaboration with its employee units. The City must abide by contractual obligations of its labor contracts as well as legal requirements to meet and confer and bargain in good faith over matters within the scope of representation. This places real and practical constraints on the City’s ability to move forward with changes it may believe necessary, but which are subject to negotiation. The City genuinely strives to reach agreements that ensure a sustainable financial future and excellent services to the community.

In 2009, the City took the lead among Bay Area public agencies by initiating steps in contract negotiations with Service Employees International Unit (SEIU) and Management and Professional employees to implement a two-tier retirement benefit by changing the retirement formula for new hires to 2% @60. Furthermore, the City pursued and has now implemented an employee medical contribution with non-public safety employee groups (e.g., management, professionals, and SEIU workers). Over the past year, the City has been involved in difficult negotiations with two out of the four public safety unions: Local 1319, International Association of Firefighters (IAFF) and the Palo Alto Police Manager’s Association (PAPMA). The other two sworn safety units will begin contract negotiations in the spring 2011. Because many of the existing benefits were negotiated and approved over an extended period of time and are long established, these are challenging negotiations and difficult employee concessions to address in a short period of time.

One of the City’s primary labor relations goals is to agree to meaningful, long-term structural changes to employee compensation with all employee groups. Since the non-safety employees represented by SEIU and members of the Management and Professional unit have already made significant concessions in their compensation, the City will be focused on reaching agreement on similar equitable compensation concessions with all four of the safety units in negotiations this spring.

Goals identified for FY2011 are as follows and are not in rank order:

1. The Palo Alto Police Managers’ Association is a new bargaining unit. The City and PAPMA are in negotiations to create their first Memorandum of Agreement (MOU).

2. The City has been negotiating with the Fire Fighters’ Association since May 2010. The City determined that further productive movement toward a negotiated agreement cannot be reasonably expected after 8 months of negotiations and therefore declared impasse on February 15, 2011 and has initiated binding interest arbitration of the unresolved issues.
3. The City typically negotiates with the Fire Chiefs’ Association after the Fire Fighters conclude. Given the lack of progress as described above, the City will initiate negotiations with the Fire Chiefs in the spring 2011 with the goal of reaching agreement in FY 2012.

4. The City and SEIU will meet in the spring 2011 to prepare a successor agreement that is scheduled to expire June 30, 2011.

5. The Palo Alto Police Officers’ Association (PAPOA) deferred their scheduled wage increase for one year to provide relief to the City’s budget and negotiated an additional year on their existing contract for a new expiration date of June 30, 2011. The City will begin negotiations with PAPOA in spring 2011.

Rationale for goals selection
Labor negotiations are an ongoing activity of a municipal operation. This is an activity that occurs on a regular basis as Memorandum of Agreement’s (MOA’s) expire and need to be renegotiated. These contracts are an integral component of City Finances as labor costs are typically 60% or higher of total city general fund expenditures. What distinguishes this year’s negotiations from the norm is the extraordinary strategic nature these contracts will have on the long-term fiscal health of the City’s finances. As referenced in the Executive Summary key bargaining groups have already made strategic and fundamental long-term structural changes to their contracts. It is the City’s goal to achieve similar contracts with all bargaining units to assure the long-term fiscal health of the City.
City Finances  
(Refuse Fund Study and Stabilization)  

Executive Summary  

Studying the Refuse Fund and executing a plan to balance and stabilize the fund is one of five goals identified by the Palo Alto City Council to be achieved under the City Finances Priority. This enterprise fund supports a large array of City services including garbage, recyclables, and compostables collection, processing, and disposal, as well as street sweeping, Household Hazardous Waste services, and supporting City-owned facilities such as the Recycling Center and the Palo Alto landfill and composting site. Due to multiple factors such as the success of the City’s Zero Waste services, the downturn in the economy, and the use of reserve funds, the Refuse Fund financial health has been compromised. The goals of the City are to:

1. Rebuild the Refuse Fund’s Rate Stabilization Reserve to a level that meets established guidelines. This will include ensuring balanced annual operating budgets and establishing a stable annual revenue stream for the fund.
2. Assess and realign refuse rates among users, as necessary. The City is finalizing a Cost of Service study, and the results of this study will be used to evaluate the current Refuse rate structure and make recommendations for changes.
3. Continue to work towards Zero Waste. The City has made great strides towards reaching this goal, and much of its success is connected to the Refuse Funds conservation pricing rate structure.

Rationale for Goals Selection  
The Refuse Fund is a complex enterprise fund that supports key services and programs for the City. Through a combination of influences occurring over several years, the Fund’s Rate Stabilization Reserve has become negative must be rebuilt. A multi-phased, multi-year approach to stabilizing the Refuse Fund and restructuring rates must be developed in 2011.
City Finances
(Economic Development Strategic Plan)

Executive Summary

Economic Development is one of five key goals identified by the Palo Alto City Council to be achieved under City Finances for FY2011. Economic Development is nearly always a strategic priority for local municipal business retention, business expansion and business attraction strategies and have direct correlation to revenues and City services. Stable and predictable revenues are critical to the community’s quality of life which is dependent on delivery of sustainable City services. Identified below are 5 economic development goals for FY2011. These goals are not in rank order:

1. Develop new revenue streams and innovative uses for under-utilized City owned property
   - Present by July 2012 to City Manager at least 1 possible income-producing idea for city-owned land

2. Provide leadership in the outreach and messaging for the Development Center (DC) Restructuring process
   - Provide regular updates to business and community groups
   - Work with PIO and media to ensure public awareness of progress and goals

Deliverables

- Make 6 presentations to business community between January and June 2011
- Host monthly meetings with PIO to determine messaging and outreach regarding the DC Blueprint Project and send 2 DC Improvement press releases by July 2012

3. Outreach to the City’s largest revenue generating and most innovative companies
   - Meet at least once with key company leaders, especially on real estate/facility issues
     - Identify future expansion, relocation, or renovations plans if applicable, and connect company representatives with staff at Development Center
     - Respond to any follow up items promptly- no longer than 3 business days.
     - Coordinate with city staff for additional follow-up as appropriate

Deliverables

- Conduct 20 general outreach meetings each month starting January 2012
- Provide meeting summaries in newsletter and report to City Manager

3A. Visit strategically chosen businesses also including City Council, City Manager, and other key staff in 2011 to have a focused discussion on using City resources to help retain/ grow their presence in the City
- Work with City Manager, City Council, Finance, Utility Advisory Commission, other Boards/Commissions for input to develop plan to select companies to visit

**Deliverable**

- Conduct 12 company site visits that include City Manager, Council Members, Boards and Commission members and key company executives by January 2012

4. Create “Test Bed” partnerships, especially with innovative green/clean tech companies

   - Explore finding suitable business location for test bed help desk
   - Engage in promotional activities including:
     - Utility bill insert
     - Presentations to business trade organizations and neighborhood groups
     - Marketing Collateral

**Deliverables**

- Identify staff team and hold brainstorming meetings in March 2011
- Identify pilot projects and prepare draft business plan by June 2011
- Implement pilot projects by January 31, 2012

5. Enhance City’s “Doing Business” Web Page and create engaging and effective marketing collateral geared towards Palo Alto’s diverse business environment (i.e. retention and attraction of different market segments) and transition to electronic marketing wherever possible.

   - Engage in creative “web 2.0” strategies to improve messaging & info flow

**Deliverables**

- By year end design/produce and present 3 marketing collateral pieces for City of Palo Alto Economic Development
- By July 2011, present report to City Manager on options for social media and web-based software, including determination on use of “Customer Analytics” software

**Rationale for goals selection**

A focus on finding new uses for city-owned property could have a significant impact on our bottom line. For instance, finding an appropriate site for a potential expansion or new location for an automobile dealership, if successful, will result immediately in new revenues for the City. Estimated revenues for a dealership could produce at least $100K or more per year in new annual revenues. In order to help grow and or attract business in Palo Alto, we must enhance the Development Center to create a more user-friendly, transparent and predictable experience for customers. Communication and collaboration across departments as well as with the community will help to streamline our process. If successful, not
only will the process improve, but the DC itself can become a better marketing tool to attract and expand business.

Communicating to businesses is the vital element to comprehending their issues and needs. It is through this understanding that we can learn of potential opportunities, and best leverage the resources at the City to assist businesses. By proactively engaging strategically chosen businesses in an ongoing dialogue, we can build partnerships and improve our community, increasing our attractiveness and in turn the City’s bottom line. As we move forward with economic development and sustainability goals, we intuitively know that they must fuse. We understand that in order to maintain our leadership as a global center of innovation, we must continue to attract the next wave of start-up entrepreneurs, cutting edge clean-tech, bio-tech, nanotech and research-based firms, while retaining the existing companies that keep our character and charm. Working together with the Utilities Department (UTL) we have a unique opportunity to create an effective “Test Bed”, a tool which can be used for the City to partner with such companies, as well as with researchers in emerging fields. Developing an effective system for collaboration between city/ residents/ business will be a great step forward in creating tangible benefits that will help to attract/ retain such firms.

We should also have targeted marketing material at the ready with information tailored to different business sectors and purposes. The web has become the number one source of information for businesses, site locators and real estate professionals to initially start their search for places that may meet the needs of their clients. The City therefore needs to have a state of the art website to present the community to these key gatekeepers to ensure the city is competitive right at the initial site location process. Emerging technologies should be explored to make sure that we have the most effective tools available.
City Finances
(Execute new budget and fiscal measures to ensure long-term financial stability)

Executive Summary

The City currently completes and uses a Long-Range Financial Forecast (LRFF). The forecast period provides actual financial data for the most recent budget year, adopted and projected financial data for the current budget year and projected financial data looking forward for ten years (to 2021). The LRFF is used by the City to project and quantify a baseline projection of revenues, expenditures, cash flows and fund balances. The forecast enables the City to take steps to plan in advance for potential revenue gains and losses, expenditure increases/decreases, increased future liabilities and costs (e.g., health care and PERS pension) and related items. The forecast is dynamic and subject to constant change and revision based on the best available information. The forecast enables policy makers to evaluate financial impacts of potential initiatives and to plan ahead to ensure the long-term fiscal stability of the City. The forecast also helps community members understand the organization’s present and future financial capabilities and resource allocations to support services and programs.

The plan here is for the City to evaluate potential new revenues and service options that may enable the City to realize new revenues and reduced expenditures. This action will help the City achieve a stronger more sustainable fiscal model to support services and programs. For example, last year the City made substantial changes to its PERS pension plan going to a new tiered program (2% @ 60) for non-safety personnel which will save the City considerable funds. In addition, the City will be implementing an employee contribution to health care this year. The City needs to execute additional measures to ensure long-term financial sustainability. Completion of the goals identified below and the data gathered from this work will be incorporated into the LRFF. Identified below are goals for FY2011. These goals are not in rank order:

6. Identify new potential revenue sources including preparation of a report outlining various potential revenue options, the pro’s and con’s of each option and the estimated potential revenues. Potential new revenues options include but are not limited to:
   a. Ambulance service subscription tax
   b. Business operations tax
   c. Citywide parcel tax
   d. Increase in property transfer tax
   e. Increase in transient occupancy tax

7. Develop plans to address increased employee compensation costs and develop plans to share cost increase with employees.

8. Identify additional operational efficiencies, potential options to contract out various City services, explore potential new partnerships with existing non-profit organizations and non-governmental organizations and with other governmental organizations including adjacent cities, and regional public agencies on the peninsula to deliver services and programs. Potential ideas to consider include:
   a. Advertising or naming rights for city facilities
b. Analyze and review organizational structure for potential functional consolidation options (e.g., placing all maintenance functions within one department) and consolidation options with regional agencies that may provide similar services as the City

c. Civilianize certain public safety management positions, property and evidence management and specialist teams (e.g. SWAT)

d. Contracting out fleet maintenance and utility billing services

e. Contracting with other communities for regional emergency services dispatch

f. Creating an exclusive towing services contract in the city

g. Transferring animal care services to the county or to the human society

9. Identify a long-term sustainable financial model to address City infrastructure project backlog and develop as part of model plan to be able to fund ongoing preventive maintenance costs of fundamental infrastructure. This model will be developed in coordination with the Infrastructure Blue Ribbon Task Force data and work with the Finance Committee.

Rationale for goals selection

The rationale for selecting these goals is to develop a sustainable long-term financial plan (LTFP) for the City. More specifically we are seeking to explore potential alternative revenues and expenditure reduction strategies that will enable the City to continue to deliver high quality services and program to the community.

The LRFF report recently provided to the City Council Finance Committee outlines a number of long-term trends over the next ten years that necessitate a need for the City to explore and implement new innovative techniques and strategies for delivering services. Just one example among many is forecasters do not expect job growth and thus the unemployment rate to reach equilibrium for another five to eight years. This one indicator, jobs, has a tremendous impact on the City finances as it impacts three of the City’s main revenue streams: property, sales and utility user taxes.

Infrastructure quality is fundamental to local community quality of life. This includes infrastructure system such as storm water, water, wastewater systems, roads and streets and city facilities. These systems are integral to City service delivery. The City has a significant infrastructure backlog (in the millions of dollars) and is the process of developing a plan to remedy the backlog and come up with a sustainable long-term approach to maintaining the City investments in its infrastructure assets.

The goals identified here will enable the City to outline a series of potentially meaningful revenue alternatives that could help stabilize and offset the current volatile revenue streams (i.e., sales taxes) that form the backbone of supporting City services. In addition, development of alternative service delivery methodologies including working with potential non-profit, non-governmental and other public agency partners offers the potential to significantly reduce public expenditures while maintaining if not enhancing existing service delivery.
City Finances  
(Infrastructure Blue Ribbon Commission, IBRC)

Executive Summary

Action by the Infrastructure Blue Ribbon Commission (IBRC) is one of the key “City Finances” goals established by Council for 2011. The IBRC was established to make recommendations to Council to address the current backlog in Palo Alto’s Infrastructure needs. The IBRC will report back to Council in the fall of 2011 after considering the following list of questions referred to it by Council:

- What is the complete listing of the City’s infrastructure backlog and future needs? What criteria should be used to prioritize this list of projects?
- Are there ways the City’s infrastructure needs can be prioritized into 5 year increments that can be financed and also effectively implemented given current staff resources?
- What are potential financing mechanisms that could be used to address the City’s infrastructure needs? Should there be a one-time financing mechanism or some ongoing source of infrastructure funding? What are the options for each of these choices?
- Is a bond measure the best mechanism for funding the infrastructure backlog? If so, when should this move forward and how could it be structured?
- How can public/private partnerships be leveraged as an infrastructure funding mechanism?
- How are City project cost estimates developed and are these in alignment with other local jurisdictions?
- How do Enterprise Fund infrastructure projects intersect with General Fund infrastructure projects?

Rationale for goals selection
Palo Alto has an extensive and highly acclaimed system of City facilities. Its parks, open space, libraries, and community centers of all types are one of the important reasons that Palo Alto is such a desirable place to live. And yet those facilities have aged and spending to revitalize the facilities has not kept up with the needs from that aging process. Many facilities now exceed their design lives and upgrades are overdue. One of the main recommendations needed from the IBRC is how to pay for and schedule the necessary work to refurbish the City facilities. The goal is to eliminate the backlog of repair projects and put the City on a clear path of keeping up with maintenance needs in the future. Like the environment around it, Palo Alto’s infrastructure must become truly sustainable.
Emergency Preparedness
Emergency Preparedness

Executive Summary

Emergency Preparedness is one of five goals that have been adopted by the Palo Alto City Council for Fiscal Year 2011. The City of Palo Alto like any community in the Bay Area is susceptible to a variety of natural hazards including earthquakes, floods, and wild land fires as well as man-made disasters such as plane crashes, terrorism and other catastrophes. The City is committed to protect life, property and the environment through a number of activities including preplanning, training, rapid emergency response and public safety education for the benefit of the community. Below are the emergency preparedness goals for FY 2011 for the City of Palo Alto. These goals are not in rank order:

1. The City will conduct one major Community emergency preparedness exercise. Staff will work with community groups to plan and host a full-scale exercise which will include multiple neighborhood groups and City departments. This exercise will be consistent with accepted national exercise guidelines.

2. The City will evaluate and complete a feasibility analysis and report investigating alternatives that install a secondary electrical transmission source to the City. The new transmission source would be established in separate geographical area that would eliminate the possibility of a single contingency outage interrupting power to the City.

3. Implement recommendations of Foothills fire management plan to address treatment and mitigation measures that are required to ensure the viability of evacuation routes and protect life and property.

4. Implement Office of Emergency Services (OES) restructuring founded on the consultants report and focus on four key readiness areas: preparedness, mitigation, response and recovery.

5. Improve emergency operations readiness per the City emergency operations plan. The City will work to better coordinate all facilities and personnel in the organization and their ability to respond in a coordinated and cohesive fashion.
Rationale for goals selection
A community emergency exercise will allow staff and community members to work together during a simulation to test capabilities, communications, technology and personnel and will enable the City to better prepare for an actual event. A feasibility report by year end regarding the installation of a secondary transmission line in the City will enable the City to determine the technical and financial feasibility of creating this type of emergency redundancy capability in the community. If it is determined to move forward with installation of a new line it is projected this work will take three to six years to complete given the regulatory requirements and costs. Previous reports provided to the City Council have identified hazards and mitigation methods in the Foothills area. Implementation of the plan will initiate the necessary mitigation steps. A comprehensive report was recently completed evaluating the Office of Emergency Services (OES). Implementation of the plan will increase City emergency preparedness and response and community emergency response coordination. Improving emergency operations readiness per the Emergency Operations Plan will improve and enhance community safety.
Emergency Preparedness
(Community Exercise)

Executive Summary

The City and the community seek to improve our response to major incidents. A coordinated, well planned response requires an exercise component in order to rehearse and clarify roles, for staff, residents and others. Such exercises are building blocks in support of a strategic, multi-year Training and Exercise Plan.

Deliverables
1.) City Departments to work with volunteer groups and external stakeholders to develop the scope, purpose, objective and scenario for City/community exercise.

2.) Identify a joint community/staff exercise design team to coordinate/manage the exercise and support community resilience.

3.) Encourage participation within community groups and volunteer organizations.

4.) Manage exercise which will evaluate:
   - Intra-City communications
   - Sharing real-time communications with external stakeholders
   - Internal emergency preparedness procedures

5.) Develop an after-action report and corrective action plan post-exercise.

Rationale for Goal Selection
This exercise will allow staff and community members to work together during a simulation which will test capabilities, communications, technology and personnel. The after-action report will provide staff and community members’ feedback about gaps and areas for improvement which can be addressed. The exercise will also serve as a reminder that the City is committed to a culture of preparedness. “It is a given that the City’s resources will be overwhelmed in a disaster. It is, therefore, incumbent upon all residents and businesses to prepare themselves and to understand the limitations of the City’s response efforts.” (City of Palo Alto Emergency Operations Plan)
Emergency Preparedness  
(Secondary Electrical Transmission Source)  

Executive Summary  

In February of 2010 the City of Palo Alto had electricity interrupted to the entire service area for over 10 hours. This outage was due to an airplane leaving the Palo Alto Airport striking the Pacific Gas and Electric Transmission lines. The purpose of this initiative is to investigate alternatives that install a secondary electrical transmission source to the City. The new transmission source would be established in separate geographical area that would eliminate the possibility of a single contingency outage interrupting power to the City.

The following tasks are planned over the next 12 months:

- Continue coordinating with PG&E and the Independent System Operator (ISO) on including a transmission line connecting PG&E’s Ames Substation to Palo Alto’s Adobe Creek Substation. This project would be part of the PG&E’s system plans to improve transmission service in the Bay Area.

- Continue discussions with Stanford University on a project that would connect Palo Alto’s Quarry Substation to Stanford’s Substation and to the Stanford Linear Accelerator’s 230 kV Substation.

- Prepare a report for Council on viable alternatives for providing a secondary transmission source and take action per City Council direction.

This project is expected to take between 3 and 6 years to complete once a viable alternative is determined due to planning and environmental requirements for a transmission facility.
Emergency Preparedness
(Implement Recommendations of Foothills Fire Management Plan)

Executive Summary

In 2009, the City commissioned a study to evaluate the fire potential in the wildland-urban interface. The study revealed that there are treatment and mitigation measures that are required to ensure the viability of evacuation routes and to protect life and property.

Deliverables
1.) Extend consultant’s contract to assist staff in implementing Foothills Fire Management Plan.

2.) Submit application to classify Foothills Fire Management Plan as a Community Wildfire Protection Plan; explore grant eligibility under CWPP to fill the estimated $715,000 obligation.

3.) Seek Public Works CIP for ongoing mitigation activities to implement recommendations.

4.) Host three educational sessions for residents to review the community’s role in mitigation, prevention, response and recovery.

5.) Apply for CALFIRE Work Crew to assist in mitigating identified hazards in the Foothills Fire Management Plan.

Rationale for Goal Selection
Previous reports to Council have detailed the hazards that exist in the Foothills and the steps necessary to mitigate these hazards. The Foothills consist of large open space areas/parks, private residences, private recreation facilities, commercial buildings, critical infrastructure and property owned by Stanford University. The rationale behind selecting this goal is to reduce the risk of fire danger to these locations and ensure the safety of the residents. Council has directed staff to develop strategies to implement the plan.
Emergency Preparedness
(Improve Emergency Operations Readiness)

Executive Summary

The City seeks, per its Emergency Operations Plan, “to incorporate and coordinate all facilities and personnel...into an efficient organization, capable of responding in a coordinated and cohesive fashion.” To better achieve this objective the City will make a number of improvements in training, equipment and technology.

Deliverables
1.) Staff will implement a multi-year, training and exercise plan designed to engage the community and improve our response capabilities.

2.) Enhance interoperable communications and further develop our virtual consolidation of dispatch with neighboring communities.

3.) Identify and seek grant funding of support equipment for emergency response operations. Staff will explore regional partnerships and support joint planning initiatives, such as the pending National Disaster Resiliency Center at NASA Moffett Field.

4.) Develop and implement training for City staff on personal and family emergency preparedness.

Rationale for Goal Selection
The City has legal obligations to maintain key capabilities to provide public safety, utilities and other essential services to the community. Advanced preparation can reduce the impact on the community and expedite recovery activities. These program improvements will support a more comprehensive, coordinated response and recovery framework.
Emergency Preparedness
(Office of Emergency Services (OES) Restructure)

Executive Summary

In October 2010, the City Manager’s Office commissioned a study to review the City of Palo Alto’s practices in emergency management. A subject matter expert with national credentials was hired by the City to conduct a gap analysis and make recommendations to improve emergency/disaster readiness. The consultant interviewed key stakeholders, inspected critical infrastructure and reviewed emergency planning procedures. The consultant has written a report and will present her recommendations to the City Council at a Study Session in the spring of 2011.

The report will examine how the City and community can improve in the four key emergency/disaster readiness categories: preparedness, mitigation, response and recovery. The consultant will make recommendations as to where the activities of the Office of Emergency Services should best be situated within the City organization. The report will also examine the appropriate staffing and structure for these activities. Finally, the report will present recommendations that can enhance the City’s coordination with the community.

Deliverables
1.) Upon receipt of the report, staff will review and analyze the consultant’s report. Staff will evaluate financial, human resources and philosophical implications of the recommendations.

2.) Staff will review the report with key stakeholders (Citizen Corps Council), the leadership of community groups and obtain feedback/input.

3.) Staff will confer with the City Manager and recommend implementation of appropriate action items.

4.) Staff will report back to Council and implement these action items.

Rationale for Goal Selection
Staff is responding to a directive as set by the City Council to our emergency preparedness functions. The City has an obligation to ensure community readiness, through education, training, outreach and exercise. The Office of Emergency Services will be restructured to coordinate these complex activities across all City Departments and with the community to ensure a unified, coordinated response.
Environmental Sustainability
Environmental Sustainability

Executive Summary

Environmental Sustainability is a core value and ongoing priority for the City. The City has been a leader in this area and continues to make strides to be a leader on the Peninsula, in the Bay Area metropolitan region and in North America. The City is a Certified Green Business, has adopted a Climate Protection Plan (CPP), a Sustainability Policy, has many sustainability programs including the award-winning Palo Alto Green Program and continues to make strides in reducing Greenhouse Gas emissions. One of the most recent examples was the initial installation of LED streetlights in the City. Identified below are five key development goals for 2011.

1. We continue to look at our Utility plant operations for methods and strategies to increase our ability to reduce the City’s greenhouse gas emissions (GHG). This year a major focus will be to look at the financial practicality of new composting digesters or their alternatives to reduce GHG’s.

2. Fleet operations and gas vehicles are a major contributor to GHG emissions. Thus we are going to explore the ability to install electric vehicle charging stations at various locations in the City to facilitate and encourage use of electric vehicles and technology.

3. Stanford has a robust Sustainability program and several initiatives underway and ongoing in this area. Stanford is also a leader in research and development of green technologies and practices. The City, for the first time, is going to explore developing a more formal collaborative relationship with the University to determine if there are synergies and potential partnerships between the City and the University to enable both entities to leverage their combined efforts to be leaders in sustainable communities and use of green technologies and practices.

4. The residents of Palo Alto have embraced many green practices on their own and with the encouragement of the City. This includes recycling, use of available transit options (e.g., Caltrain), planting of trees and many other homegrown initiatives. The City also has a number of sustainability programs and engages in several practices to encourage sustainability in the community. This initiative will provide a focused effort in looking at strategies and tactics the City and the community can engage in together to leverage knowledge, resources and talent to build a more sustainable community.
5. Palo Alto is a City with a considerable existing urban forest canopy. This canopy provides considerable environmental and community quality of life benefits to the community. A master plan will enable the City to create a long-term plan for managing and enhancing this significant asset and help the City meet its sustainability goals.

Rationale for Goals Selection
Environmental Sustainability is, as stated above, a core value of the City of Palo Alto. The City is one of the foremost leaders in Environmental Sustainability (ES) in the nation and is positioned now and in the future given current and projected initiatives to continue to build upon what has been and is a cutting edge leadership role. All of the goals identified here reinforce this ES leadership position. The City continues to adapt, enhance, change and execute new sustainability practices and initiatives. Palo Alto has embraced ES for the long-term and it is an integral part of the quality of life and fabric of what makes Palo Alto “Palo Alto”.
Environmental Sustainability  
(Evaluation of Composting Digester and Alternatives)

Executive Summary

Evaluating alternatives for handling Palo Alto’s organic residuals (e.g., yard trimmings, food scraps and wastewater solids) is a critical goal of Council’s Environmental Sustainability Priority. On April 5, 2010 Council directed staff to:

1. Hire a consultant to evaluate a Dry Anaerobic Digestion system
2. Prepare an applicable level EIR, focused on 8-9 acres of Byxbee Park adjacent to the City’s Regional Water Quality Control Plant
3. Conduct a Preliminary Analysis before completion of the study itself
4. Explore Energy Conversion Technologies in conjunction with the Regional Water Quality Control Plant Long Range Facilities Planning
5. Explore Partnering with local agencies within 20 miles of Palo Alto

The Preliminary Analysis will be brought to Council in March or April, 2011 with the full study being completed in the fall of 2011.

Rational for goals selection
With the closure of Palo Alto’s landfill and current compost facility in late 2011 and early 2012 respectively, the need to manage the City’s residuals becomes a key issue. While the City has the option to take yard and food residuals to the Gilroy area for composting, and wastewater biosolids are currently incinerated; other options must be explored which would reduce energy use and greenhouse gas emissions. If Palo Alto is to meet its Climate Action, Zero Waste, Sustainability, and Externality Reduction goals, alternatives must be carefully analyzed.
Environmental Sustainability
(Electric Vehicle Charging Stations at commercial and residential sites and city facilities)

Executive Summary

New electric vehicles (EVs) are being introduced in the market place, and these EVs require new charging infrastructure. Encouraging the use of EVs will reduce the community’s greenhouse gas (GHG) emissions and will help meet the Council approved Climate Protection Plan goal of reducing municipal and community GHG emissions by 15% below 2005 levels by 2020. Having publicly accessible EV charging stations at City facilities is one way of encouraging the adoption of EVs in town.

The City has undertaken a number of steps to facilitate the adoption of EVs in Palo Alto to date. City staff have provided charger technology information and permitting requirement for customers to install chargers in their homes and businesses on the city website and via utility bill inserts; an assessment of long term EV penetration in town has been undertaken along with an assessment of electric distribution system infrastructure upgrade needs; EV charging is being encouraged in the City’s building code; applied and obtained two state grants totaling $35,000 to install five EV chargers at publicly available facilities. In addition, a number of charging stations are going to be installed at libraries utilizing ‘Measure N’ bond funds.

The following tasks are planned and approvals expected to be sought over the next 12 months:

1. Determine how to best leverage the state grant funds to install 5 chargers in publicly available facilities. The 5 charging stations could cost $100,000 to $150,000 to install. Explore the possibility of leveraging private equity capital to provide the funding shortfall.

2. Determine the locations to install the chargers. At present, there are two charging spots at City Hall and Alma Parking Garages, but these are older charger technology. Staff anticipates installing three of the newer chargers at the same location, while maintaining the older charger for a few more years. A fast level #3 charger is also being considered at the street level on Hamilton Avenue in front of City Hall. Other public parking areas are also being evaluated for EV charger installations.

3. A Request for Proposal (RFP) to solicit proposal from the private sector to optimally deploy these chargers is planned. This RFP will provide an option for the private sector to utilize the grants, add their own funds to install, own, and operate the charging station in town, and provide a franchise fee to the City for utilizing public space to install these chargers. In the event private sector funds are not available at satisfactory terms, Council approval is being sought to utilize electric utility funds to make up the difference in cost.

4. Staff plan to bring to the Utility Advisory Commission and the Council a number of policy level questions in the spring in this regard. These may include:
   a. How best to leverage private capital to install EV chargers?
   b. Should free EV charging be provided at City facilities to the public?
   c. Should the employee commute program include incentives for EV charging?
   d. How best to deploy charging stations and optimally utilize the limited parking space available downtown as reserved spots for EV charging only?
   e. What is the role of Utilities Department in installing EV chargers?
f. Should the Utilities Department offer time-differentiated residential electric retail rate for EV owners to encourage charging during night time in order to reduce the adverse impacts on the electrical grid and distribution system?

5. Much of these goals will be accomplished by December 2011, with all set goals expected to be completed by June 2012.

Rationale for Goal Selection
EVs have the potential to reduce the community's GHG foot print considerably over the long term. Having a robust City policy to encourage EVs and to facilitate building a robust public charging infrastructure in Palo Alto and in the region is critical for the success of EVs in town. The goal in 2011 is to frame this policy for Council review/approval and to utilize the state grants available to make a robust start in installing public charging stations at City facilities in 2011. It may take up to June 2012 to fully implement all elements of the goal outlined above.
Environmental Sustainability
(Establish formal collaboration with Stanford University)

Executive Summary

Stanford University represents the most progressive and innovative research into the area of sustainability and climate change. Palo Alto, by virtue of its proximity and relationship to the University, can leverage its green initiatives through enhanced collaboration with the University. On the University side, there are many programs engaged in sustainable innovation. These include the Precourt Institute, The Woods Institute for the Environment, and Sustainable Stanford just to name a few. The City, with its own utilities, is uniquely positioned to partner with Stanford and the emerging talent coming through these programs. While informal relations exist with Stanford, the city could develop strategic relations around sustainability, allowing for resource sharing, best practices, and internship opportunities.

Goals

1. Organize a “Sustainability Partnership Summit” open to public, including Stanford and City Panelists

2. Organize a formal site visit to Y2E2 including key leaders in Planning, Utilities, and Public Works, highlighting innovative construction and facilities management techniques utilized by Stanford.

3. Develop volunteer internship program for at least 1 sustainable initiative

Rationale for goal selection

In the past, Earth Day events have included a broad cross-section of the community. This year, focusing on the University/City relationship will provide a unique perspective not yet explored. The extent to which Stanford has implemented sustainable building techniques on campus for new construction is relatively unfamiliar to many on city staff. Increasing familiarity with the University’s innovative green building techniques will stimulate creative interactions and thinking from city staff involved in green building programs. Because Palo Alto owns its utility, there are unique opportunities for internships. Many progressive programs suitable for graduate level interns could exist. Both the City and Stanford could find mutual value in such an endeavor.
Environmental Sustainability
(Explore methods to integrate Palo Alto Green into City Sustainability Programs)

Executive Summary

The City offers numerous sustainability programs, including PaloAltoGreen, which is one of the most recognized and progressive renewable energy programs the Utility Department offers. Palo Alto is also a community of highly engaged citizens. Following the Stanford model of an interdisciplinary approach to sustainability, the City could begin to integrate activities such as Emergency Prep, Economic Development, and Greenhouse Gas Reductions.

Goals

1. Form sub-group including City Elected and Appointed Officials, Staff, and key community leaders to explore connections to broaden the City’s renewable energy and sustainability programs. Employ the triple bottom line principles in a variety of programs.

2. Bring the Citizen Core Council together with Sustainability Groups (such as CEAP) to explore issues affecting the community’s preparedness in a changing climate.

3. Hold study session with Council, Planning Commission and Climate Change experts to understand the policy implications of rising sea levels and other effects of global climate change.

Rationale for goal selection

Collaboration among staff and city leadership could produce new ideas and initiatives. Promoting a fresh dialogue can stimulate creativity and foster innovation. The City’s policy framework needs to respond to changing climatic conditions. Policy makers require the best information possible to ensure appropriate actions and plans are implemented.
Environmental Sustainability
(Urban Forest Master Plan)

Executive Summary

The Urban Forest Master Plan, partially funded by a grant from CALFIRE, is intended to provide a strategic plan to help the City conserve and renew its urban forest, to establish procedures and protocols to enhance the effectiveness of City operations and maintenance, and to provide for consistent and effective monitoring of the urban forest. Key goals of the plan include:

1. Continuing to provide for protection of the environment, including trees, creeks, wildlife, and open space
2. Enhancing the City’s environmental sustainability objectives, including its Climate Protection Plan
3. Ensuring that the City has an accurate and complete picture of its Urban Forest
4. Establishing the urban forest as an asset and part of the City’s valuable infrastructure
5. Engaging the community as stewards of the Urban Forest

The process and timeline for preparation of the Urban Forest Master Plan began in December 2010, when the City contracted with Hort Science, Inc. to work with a staff interdisciplinary team. In January, the team conducted a successful online survey to which 650 people responded. During January and February, the team interviewed over 100 staff members from all relevant departments. On February 7, 2011, the consultant introduced the project to the City Council at a Study Session. Future public meetings and hearings will be scheduled in June and July to accommodate review of the draft plan and adoption by the City Council.

Rationale for Goals Selection

The Urban Forest Master Plan is an important component of the City’s “sustainable” development goals. Preserving and protecting the urban forest is a long held tradition in Palo Alto. In recent decades, however, new and/or increased pressures associated with development and the provision of services has introduced unprecedented competition for the protection of trees.

The Urban Forest is also an element of the City’s infrastructure and requires management and maintenance as an asset valued for its environmental, aesthetic and economic benefits: energy conservation, air quality improvement, CO2 reduction, storm-water control, and enhanced property values. The Urban Forest Master Plan will also be closely aligned with goals of other sustainability programs such as water and energy conservation. It will also further the City’s goals of engaging the community to foster sustainable natural resources. For example, the plan will establish the benefits of choosing drought tolerant trees to minimize water use and shade for homes and parking lots to reduce energy consumption.
Land Use and Transportation Planning
City Council Strategic Priority Goals for Fiscal Year 2011

Land Use and Transportation Planning

Executive Summary

Land use and planning strategies are closely aligned with other Council priorities to protect and enhance City Finances, to support Emergency Preparedness goals, to further the City’s Environmental Sustainability objectives, and to encourage Youth Well-Being. Land use and transportation are key indicators of quality of life in Palo Alto. The overarching principle of the City’s Land Use and Transportation objectives is to provide for “sustainable” development and services: growth, rehabilitation and services that are sustainable in economic and fiscal terms, as well as in environmental respects. The City desires to develop in ways that promotes efficient delivery of services, assures high quality development and design, protects and broadens the City’s tax and revenue base, preserves and enhances key environmental attributes, minimizes energy and water use, and promotes transportation alternatives such as walking, bicycles, and transit. Identified below are seven key development goals for 2011:

1. Complete strategies and plans at the Development Center to improve customers service and accountability

2. Complete draft Rail Corridor Study outlining measures to provide for community land use, transportation and corridor urban design

3. Complete Stanford University Medical Center (SUMC) facilities and replacement project

4. Substantially complete update of City Comprehensive Plan Amendment/Housing Element Update and 2 Area Concept Plans

5. Continue monitoring of High Speed Rail (HSR) activities and collaborative work with Peninsula cities and regional agencies, work on a short and long-term action plan to sustain Caltrain

6. Actively participate in preparation of regional Sustainable Communities Strategy (SB375), Regional Housing Needs Allocation (RHNA)

7. Prepare Pedestrian and Bicycle Plan Master Plan update
**Rationale for Goals Selection**

Land use and zoning decisions are integral to facilitating the preservation, development or redevelopment of uses that contribute to the City’s economic vitality and tax base. Provision of opportunities for hotels, auto dealers, and other retail uses will assist the City to meet its fiscal responsibilities. A more efficient development review process will minimize staff resource needs while providing for a more satisfied customer experience. The facilitation of these uses also provides needed daily services to the City’s residents.

Transportation alternatives to single occupancy vehicles not only provide environmental (greenhouse gas and other air quality) benefits, but can also be more cost-effective and less impacting than constructing more roadway space. A mix of transit, walking, and bicycle facilities also allows all segments of the population, including children, seniors, and disabled persons, equal access to safe and efficient transportation. Protection of the environment is fundamental to the City’s Comprehensive Plan goals and policies, and provides economic benefits as well. Creeks, the hills, and the Baylands all contribute to the aesthetic, ecological, recreational and educational values of Palo Alto. These areas also provide for many of the recreational amenities available in the City.

The City must also recognize its role and relationships to the Bay Area region as a whole. The City may benefit from taking a more active part in assuring an understanding of Palo Alto’s role as an employment and education center in the Bay Area and Silicon Valley. At the same time, providing varied housing opportunities for employees of Palo Alto businesses is an important asset for those employers.
Blueprint for a New Development Center
(Complete strategies and plans at the Development Center to improve customer service and accountability)

Executive Summary

The “Blueprint for a New Development Center” project is focused on improving the delivery of services at the Development Center (DC) and increasing customer satisfaction. The City Manager’s public statement committed to having measurable improvements implemented at the DC by the end of June 2011. The City Manager’s key objectives are the guideposts for the project initiative:

1. Creating a better customer service culture where there is predictability, clear standards, and a performance measurement program in place to evaluate service delivery and assess customer satisfaction.

2. Improving organizational efficiency of the Development Center and associated processes to minimize costs and delays to customers.

3. Maintaining or enhancing community sustainability and economic development goals and objectives through DC activities.

Rationale for goals selection

The Blueprint project is actively engaged with multiple departments and Development Center users, as staff continues designing and refining an integrated system throughout 2011. Staff anticipates testing and implementation of the design will commence in the first half of 2011. To produce wholesome and sustained results, three initial staff and customer teams have been established to create momentum and advance the project forward, including:

- **Staff Steering Committee** – Directors and other senior managers from Planning, Building, Public Works, Fire, City of Palo Alto Utilities (CPAU) and the City Manager’s Office are responsible for project accountability, policy direction, decision making and issue resolution. This committee is meeting twice a month to ensure the right staff is involved and they get the necessary resources to produce the intended results.

- **Staff Action Team** – Key staff representatives, from various departments, are responsible for redesign of development services business processes, design of the piloting program protocols, and implementation planning. Additional staff subcommittees are identified and assigned along the way to address system related impacts (i.e. technology, publications, etc.). Staff is currently meeting twice weekly to design the new integrated system and will follow-up with the piloting and implementation efforts this spring.

- **Development Center Customer Advisory Group** – A customer group, representing a cross-section of DC users, has been assembled and meets on a monthly basis to help staff understand successful service delivery criteria from the customer’s perspective. Their participation ensures consistency of the design and implementation, provides feedback on ongoing service and performance-related issues, and communicates progress of the project to other customers and City policy makers. At this stage, the customers, in conjunction with the Staff Action Team, have clearly defined their desired outcomes and expectation for success.
City Manager Monthly Progress Reports – These monthly updates are prepared by the DC Blueprint System Improvement Manager and the System Design Consultant. The information apprises the City Manager of progress; as well as, timely notification of potential issues or constraints. As part of the Blueprint project communication plan, staff has created a City website to keep everyone informed of the project progress at: http://www.cityofpaloalto.org/depts/pln/development_center/dc_blueprint/default.asp.

The Blueprint project implements City goals by providing for efficiencies in development services for the community and for the City budget with improved technology and a customer service philosophy.
Palo Alto Rail Corridor Study  
(Complete draft Rail Corridor Study outlining measures to provide for community land use, transportation and corridor urban design) 

Executive Summary

The Palo Alto Rail Corridor Study is intended to provide a vision for land use, transportation, and design along the Caltrain right-of-way and adjacent areas. The plan would identify opportunities for growth near transit while protecting nearby neighborhoods. The study would encourage more pedestrian and bicycle friendly mobility, integral to furthering “sustainable development” in the city. The study will also allow consideration of land use and urban design techniques to enhance the potential for economic development and increased revenues and tax base within the corridor. Key goals related to the Council’s priorities include:

1. Contributing to a sense of community and place in neighborhoods and commercial districts
2. Assuring a high quality of development and design
3. Protecting and broadening the City’s tax and revenue base
4. Preserving and enhancing key environmental features
5. Promoting transportation alternatives such as walking, bicycles, and transit

The Rail Corridor Study will be conducted by staff, a 17-member Task Force, and an urban design consultant. Public workshops and meetings with the Planning and Transportation Commission and City Council will supplement the work of the Task Force and provide for extensive public input. The Study will be conducted in three phases: 1) vision, 2) alternatives, and 3) a draft plan. Each phase will take approximately four months and the final plan is expected to be considered by Council in early 2012.

Rationale for Goals Selection

Land use and zoning decisions are integral to facilitating the preservation, development or redevelopment of uses that contribute to the City’s economic vitality and tax base. The City must simultaneously enhance its neighborhoods by protecting impacts of development or, in this case, transportation facilities (rail and roads). Protection of the environment is fundamental to the City’s Comprehensive Plan goals and policies, and provides economic benefits as well. These areas also provide for many of the recreational amenities available in the City.

Transportation alternatives to single occupancy vehicles not only provide environmental (greenhouse gas and other air quality) benefits, but can also be more cost-effective and less impacting than constructing more roadway space. A mix of transit, walking, and bicycle facilities allows all segments of the population, including children, seniors, and disabled persons, equal access to safe and efficient transportation.

The Rail Corridor Study will address all of these goals for the corridor and will provide input to the Comprehensive Plan, the California Avenue/Fry’s Area Concept Plan, and other ongoing planning and transportation activities in the city.
Executive Summary

The Stanford University Medical Center (SUMC) Facilities Renewal and Replacement Project is a comprehensive, multi-year development project to rebuild and restore the SUMC and School of Medicine facilities in Palo Alto. The project would satisfy the shared objectives between SUMC and the City of Palo Alto to optimize the delivery of healthcare to patients and to meet regional needs for emergency and disaster preparedness. The project applicant is proposing the changes and additions to meet State mandated seismic safety standards (SB 1953) and to address capacity issues, changing patient needs and modernization requirements. Various entitlements required for the project, including certification of an Environmental Impact Report, Comprehensive Plan amendments, creation of a new “Hospital” zoning district, Architectural Review of the proposed buildings, and a Development Agreement that would set land use regulations for a 30-year period in exchange of public benefits. Key goals related to the Council’s priorities include:

1. Meeting regional needs for emergency preparedness
2. Minimizing environmental, financial and municipal infrastructure impacts on the City
3. Assuring a high quality of development and design
4. Promoting sustainable development and green building design principals throughout the project
5. Promoting transportation alternatives such as walking, bicycles, and transit

Since the SUMC representatives first introduced the project in late 2006, City staff has worked to identify the environmental impacts, conducted public outreach meetings to determine key project objectives, prepared fiscal analysis, held preliminary design review meetings, and identified possible public benefits to be included in the Development Agreement. In May 2010, the Draft EIR was released for public comment. In February 2011, the Final EIR and “Response to Comments” was completed. It is anticipated that the Architectural Review Board, Planning and Transportation Commission, and City Council will complete their reviews of the project in May 2011.

Rationale for Goals Selection

The project would result in an increase of over 1.3 million square feet of new floor area and site improvements that will affect how employees and visitors access and interact with the SUMC campus operations. There is a great opportunity to incorporate green building features, sustainable development, and state of the art urban design principles that would help achieve City goals and would be a model for future development. The redevelopment of the SUMC and School of Medicine, designed in a manner to address the region’s Disaster Preparedness Program, will significantly contribute to the emergency preparedness goals of not only the City but the region as a whole. While there are many public benefits inherent to the project, the impact of the proposed development could potentially result in financial and infrastructure costs to the City. It is important that the Development Agreement address these potential costs and minimize the project impacts.

The project will result in the creation of many new jobs that will ultimately be a financial benefit to the City. In order to accommodate these jobs in a manner that meets the City’s environmental goals, the project applicant will be expected to provide commute alternatives for employees. These alternatives
not only provide environmental (greenhouse gas and other air quality) benefits, but can also be more cost effective and less impactful than constructing more roadway space. A mix of transit, walking, and bicycle facilities allows all segments of the population, including children, seniors, and disabled persons, equal access to safe and efficient transportation.
Comprehensive Plan Amendment/Housing Element Update
(Substantially complete update of City Comprehensive Plan including draft Housing Element, 2 Area Concept Plans)

Executive Summary

The Palo Alto Comprehensive Plan Amendment and Housing Element Update are intended to provide the framework for the City’s land use, housing, development and transportation policies. The Comprehensive Plan Amendment focuses on two Area Concept Plans and on updating policies to 1) assure provision of adequate support services to neighborhoods and businesses, 2) propose strategies to retain and enhance retail and other commercial, revenue-generating uses, and 3) ensure a theme of “sustainability” throughout the City’s land use and transportation policies and programs. The Area Concept Plans are being developed for: 1) the East Meadow/West Bayshore commercial/industrial area, and 2) the California Avenue/Fry’s Area of mixed use development. The Housing Element is being updated in accordance with State law requirements and will outline the City’s housing objectives through the year 2014, including the provision of affordable housing units during that period. Key goals related to the Council’s priorities include:

1. Contributing to a sense of community and place in neighborhoods and commercial districts
2. Assuring a high quality of development and design
3. Protecting and broadening the City’s tax and revenue base
4. Preserving and enhancing key environmental features
5. Accommodating housing for all segments of the population
6. Promoting transportation alternatives such as walking, bicycles, and transit

The Comprehensive Plan is expected to be complete in draft form by the end of 2011 and to then undergo environmental review (Environmental Impact Report) in 2012, prior to adoption. The Area Concept Plans have both received preliminary review by the Planning and Transportation Commission, and are scheduled for City Council consideration in mid-2011. A draft Housing Element will be considered by Council in mid 2011 as well, and then will be forwarded to the State Department of Housing and Community Development for its review.

Rationale for Goals Selection

The City’s Comprehensive Plan is the basis for most land use, development, transportation, and infrastructure decisions in the city. Land use and zoning decisions are integral to facilitating the preservation, development or redevelopment of uses that contribute to the City’s economic vitality and tax base. Provision of retail, recreational, and educational uses assures that residents and businesses enjoy a high quality of services. A mix of transit, walking, and bicycle facilities allows all segments of the population, including children, seniors, and disabled persons, equal access to safe and efficient transportation. Protection of the environment is fundamental to the City’s Comprehensive Plan goals and policies, and provides economic benefits as well. The East Meadow/West Bayshore/San Antonio Area Concept Plan implements City goals to protect existing commercial uses, better assure that adequate public services are available to surrounding residential neighborhoods, and provide non-vehicular transportation connections to the Baylands and other amenities. The California Avenue/Fry’s Area Concept Plan also serves to protect existing commercial and retail uses while providing the potential for increased housing and mixed-use opportunities and the creation of a pedestrian and transit oriented neighborhood. The Housing Element Update will implement City goals to provide adequate
workforce housing as well as housing for a variety of lower income households, while protecting the value of existing residential neighborhoods.
Land Use & Transportation Planning
(Facilitate in cooperation with local and regional agencies and organizations development of a short and long-term action plan to sustain Caltrain)

Executive Summary

Caltrain currently provides fixed rail commuter services to the City of Palo Alto. There are also two Caltrain stations one located at University Avenue in Palo Alto and another at San Antonio in the City of Mountain View. Palo Alto has the second highest Peninsula ridership numbers and Stanford University represents over 50% of the Caltrain “go” commuter rail passes on the system. Thus, Caltrain is an important component of the City’s transportation system and plays a critical role in helping local employers and community residents in getting to and from their jobs to local and regional destinations.

Caltrain though is currently facing an unprecedented operating deficit (e.g., $30M) and is planning, effective July 1 of this year, to make major service cuts to balance their budget. These cuts would leave Caltrain providing commuter rail services during peak rush times. Caltrain is also the only major regional commuter transportation system without a dedicated funding source.

Given the importance of Caltrain service to the Palo Alto business community, Stanford University, Palo Alto residents and to the Peninsula regional transportation system the City is looking to participate, partner with and support actions that would put in place a viable financial plan to secure short and long-term financial stability for Caltrain. Identified below are goals for FY2011. These goals are not in rank order:

1. Host a Palo Alto community forum in partnership with the Silicon Valley Leadership Group (SVLG) to communicate and inform community members about the current financial plight of Caltrain and to secure ideas and suggestions from the community, riders, and businesses about potential solutions to produce a viable financial model

2. Consult with our federal and state legislative advocacy firms to advise the City on what methodologies, programs, and tools may be available to help financially support the modernization of Caltrain (e.g., electrification, positive train control etc.)

3. Explore and evaluate with partners (including public agencies: San Francisco County and City, San Mateo County, Santa Clara County, Metropolitan Transportation Commission (MTC), major private employers, Stanford University and others) the viability of developing a dedicated revenue stream to fund ongoing Caltrain operations (e.g., sales tax, parcel tax)

Rationale for goals selection
The rationale for selecting these goals is to develop a sustainable, long-term financial plan for Caltrain on the Peninsula. Caltrain is, as noted earlier, experiencing large operating deficits which will mean significant service reductions in the near term. In addition, Caltrain does not have sufficient funding to invest in capital plant modernization (e.g., electrification). This modernization would assist Caltrain in increasing ridership which would help contribute to a more stabilized financial model for the system.
Sustainable Community Strategy (SB375)
(Actively participate in preparation of regional Sustainable Communities Strategy (SB375), Regional Housing Needs Allocation (RHNA)

Executive Summary

The Sustainable Communities Strategy (SCS) required by SB375 and the accompanying Regional Housing Needs Allocation (RHNA) are important regional planning initiatives for the Bay Area. The City of Palo Alto will be affected by the land use, housing and transportation policies and incentives associated with the efforts of the regional agencies, particularly the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC). The City expects to provide meaningful input to these initiatives, and to work with other Santa Clara County cities to assure a voice for the sub-region. Key goals related to the Council’s priorities include:

1. Enhancing sustainability by promoting sustainable land development patterns and facilitating alternative transportation modes
2. Participating in regional planning and transportation solutions where appropriate, and assuring that housing opportunities accommodate multiple segments of the population
3. Using land use and zoning techniques to enhance the potential for economic development and increased revenues and tax base
4. Contributing to a sense of community and place in neighborhoods and commercial districts

Rationale for Goals Selection

The City’s sustainability objectives are integral to its current and long-range planning, and are embodied in the Comprehensive Plan, the Climate Action Plan, and many other policies and programs. The Sustainable Communities Strategy is an opportunity to implement these objectives within a regional framework, providing for effective transportation alternatives, efficient land use patterns, and socially-responsible housing solutions (RHNA).

Active participation in the SCS and RHNA is critical to assure that the City’s goals of protecting the character of its communities, encouraging adequate transportation alternatives, and providing an equitable balance of economic growth with a reasonable accommodation of housing demands. The City must also assure that the regional efforts are in sync with the Comprehensive Plan Amendment and other countywide planning and transportation efforts.

The SCS and RHNA process will be intensive during 2011, though the final products for each will not be approved until late 2012 or early 2013. The City’s Planning Director is active in regional and local professional meetings to develop and review the SCS, the City Manager is involved in the countywide managers’ association, and the Council participates in the Cities Association of Santa Clara County. Councilmember Scharff is a member of the RHNA Housing Methodology Committee. Staff will present regular updates and opportunities for direction and input to the SCS and RHNA processes to the Planning and Transportation Commission and City Council throughout the year.
Pedestrian and Bicycle Master Plan  
(Prepare Pedestrian and Bicycle Master Plan Update)  

Executive Summary

The current Bicycle Master Plan serves as the City’s guide for identifying and setting priorities for bicycle transportation projects and programs in the community. The last update to the Bicycle Transportation Plan occurred in 2003. This current update also includes a Pedestrian element for the first time, providing an opportunity to include more robust projects and programs that benefit key transportation infrastructure not normally evaluated in a bike-only plan, including trail projects for recreational and commute use. An updated Pedestrian and Bicycle Plan is also essential for accruing funding from regional grant sources. This year, upon development of the plan, the City will embark on an aggressive update of its bicycle and pedestrian facilities based on the following goals:

1. Continue to lead in providing for transportation modes other than single-occupancy vehicles, in order to provide alternatives to avoid traffic gridlock, enhance safety for children and adults, and reduce greenhouse gas emissions.

2. Identify and implement Best Practices in bicycle and pedestrian system design for both new projects and updates to existing facilities such as colored bike lanes, bike boxes, and non-intrusive detection methods.

3. Continue successful education efforts for the use of bike/walking transportation modes to schools, but strengthen the link between neighborhood communities and schools through both capital projects and education programs.

4. Implement bicycle and pedestrian facilities to link major employment centers in the City, such as Stanford University, with existing transit facilities and other trail/street networks.

5. Identify and implement new innovations in bicycle design and pursue processes that allow their implementation in the City of Palo Alto and beyond.

6. Identify and pursue regional grant sources to implement Bicycle and Pedestrian Master Plan projects and programs such as the Highway 101 Bike/Ped Bridge at Adobe Creek.

Development of the new Bicycle and Pedestrian Master Plan is currently in process with the assistance of consultant support. A Citywide community meeting will be held in March along with a Council study session in April. Planning and Transportation Commission input will occur in February and June with final City Council consideration in July. Implementation of the plan will begin immediately in the 2011-12 fiscal year.

Rationale for Goals Selection

The City of Palo Alto has long been a leader in the design of bicycle facilities and continues to see the benefits of early education to youth in promoting walking and bicycle use as effective transportation modes. Newer design standards now exist and the City of Palo Alto must modify its infrastructure to be in line with national best practices. In addition, the City of Palo Alto has a unique opportunity to lead the way in bicycle and pedestrian infrastructure design and program education because of its open community acceptance to these transportation modes. Inclusion of a pedestrian element into the new
plan for the first time also allows the City to better complete links between street infrastructure such as bike lanes and sidewalks to park facilities and trails and allows the use of new Bicycle Expenditure Plan fund sources for those efforts.
Youth Well-Being
City Council Strategic Priority Goals for Fiscal Year 2011

Youth Well-Being

(Implement Project Safety Net and Monitor fundraising for Magical Street Bridge)

Executive Summary

The City of Palo Alto plays two important roles with regard to Community Collaboration for Youth Well-Being. First, the City plays a role of convener and coordinator, bringing the community together in order to effectively harness the tremendous community talent, expertise and goodwill that surround youth and teens, so that our community may have the greatest impact in fostering youth well-being. A meaningful example of the City’s role as convener and coordinator is seen in the Project Safety Net (PSN) Community Task Force. PSN is focused on developing and implementing a comprehensive community-based mental health plan for overall youth and teen well-being in Palo Alto. A focus in 2011 is to support PSN and the specific goals as defined in the PSN Plan (www.PSNPaloAlto.org), which includes gatekeeper training, Developmental Assets initiative; peer-to-peer engagement, teen education on drug and alcohol abuse, track watch, youth forum and celebrating youth friendly businesses.

Secondly, the City plays a direct role providing programs, services and facilities for youth and teens so they may thrive; this is also done in collaboration with the City Libraries such as Friends and Foundations support. Examples include the variety of afterschool programs at the Palo Alto Teen Center, Children’s Theatre, Junior Museum and Zoo, Art Center and Rinconada Pool. The City’s capacity to provide programs, services and facilities for youth well-being is dependent on community collaboration through the substantial support of Friends groups and Foundations. Supporting youth and teen programs and services along with the respective Friends groups and Foundations will also be a priority for 2011. An exciting example of community collaboration can be seen in the vision to build the “Magical Bridge Playground” from the Friends of the Palo Alto Parks. The Magical Bridge Playground is planned for Mitchell Park and will be Palo Alto’s first playground accessible to people of all abilities and all ages.

Below are some specific goals and expected outcomes related to the Council priority Community Collaboration for Youth Well-Being. It is important to note that the goals below are not the only City activities that support youth well-being but rather a select few that are particularly pertinent for 2011:
1. Coordinate the Project Safety Net Community Task Force and guide the implementation of the PSN Plan
   • Convene monthly Project Safety Net meetings to provide the space, atmosphere and time for progress reports, community collaboration and decision making
   • Create a communications plan for Project Safety Net to keep the community informed on the City’s support of youth and teens
   • Coordinate two community trainings on identifying individuals at risk of suicide (gatekeeper training) and how to report suicide threats to the appropriate parental and professional authorities
   • Develop and provide businesses with a simple set of specific opportunities to support youth and teens

2. With Palo Alto Unified School District (PAUSD) create an effective and sustainable structure for the Project Safety Net Community Task Force
   • Develop a Memorandum of Understanding between Project Safety Net Community Task Force and its members defining roles, responsibilities and commitments
   • Create a strategic plan to sustain not only the day to day activities of PSN but more importantly how various community efforts for youth well-being work together
   • Secure private funding for PSN through grants, donations and other means

3. Incorporate the Developmental Assets into the planning, implementation and evaluation of City programs and services for youth and teens
   • Include Developmental Assets language into job descriptions for staff that work with youth and teens
   • Provide Developmental Assets training to all staff that work with youth and teens
   • Measure Developmental Asset outcomes in our youth and teen programs

4. City Council and staff to engage youth and teens in community decision making
   • Actively participate and help coordinate the 2011 Youth Forum
   • City Council to hold a study session with the Youth Council
   • Provide opportunities for teens to be involved in community decision making through teen leadership groups and other means
5. Celebrate and recognize youth and teens along with community members that make an outstanding contribution to supporting youth

- Encourage and coordinate impromptu special events and recognition opportunities to celebrate youth and teen accomplishments
- Publically recognize community members and organizations that make an outstanding contribution to supporting youth

6. Support the Friends of the Palo Alto Parks goal of building Palo Alto’s first universally accessible playground

- Monitor private fundraising efforts for the construction of the Magical Bridge playground and report on the status of fundraising to the City Council

**Rationale for goals selection**

The rationale for selecting the goals described above is their potential for lasting impacts on youth well-being. The goals build on the 2010 work of the Project Safety Net Community Task, which articulates a plan of action for supporting youth and teens in Palo Alto. The PSN plan hinges on our ability to effectively leverage community resources and mobilize people, agencies and groups with common interests to work together for youth well-being. Consequently, specific goals to create a sustainable Project Safety Net Community task force are deemed essential. Moreover, the City has a variety of youth and teen programs that will benefit from the Developmental Assets model for youth well-being. The goals define clear steps of incorporating the Developmental Assets into the fabric of how we plan and evaluate programs and services for youth and teens.

Lastly, the Magical Bridge Playground is called out specifically because it is a community collaboration to build the first playground accessible to people of all abilities and all ages in Palo Alto. Supporting the Friends of Palo Alto Parks as they raise funds to build this accessible playground is a commitment to support children of all abilities.