



CITY COUNCIL RAIL COMMITTEE

Special Meeting
June 23, 2011

Call to Order

Council Member Klein called the meeting to order at 8:04 a.m. in the Council Conference Room, 250 Hamilton Avenue, Palo Alto, California.

Present: Burt, Klein, Shepherd, Price

Absent: None

1. Oral Communications

None

2. Approval of Minutes from April 4, April 13, and April 28, 2011.

Chair Klein stated that in the packet on page 318, in the paragraph with his name, the fourth line should read "Organization" not "Cities". On page 343, the second line should have the following added after the word "if": "HSR continued but with no funding for electrification on the Peninsula."

MOTION: Council Member Klein moved, seconded by Council Member Price, that the Rail Committee approve the minutes from April 4, April 13, and April 28, 2011 with the changes indicated above.

MOTION PASSED 4-0.

3. Economic and Planning Systems (EPS) Presentation of Economic Impacts of Caltrain Electrification and High Speed Rail in Palo Alto.

Economic & Planning Systems Report – Caltrain only

Rob Braulik, Assistant Director Administrative Services introduced Darin Smith and Catherine Meriseck from EPS. Any comments from the Committee can be incorporated into the final report after the presentation. He stated that they have received comments already from members of the Rail Committee and CAARD, which have been forwarded to EPS and those will be addressed.

Darin Smith, Economic & Planning Systems, Incorporated (EPS), began the presentation. He stated that this report was the best assessment of the economic impacts of High Speed Rail (HSR) and Caltrain electrification projects within Palo Alto. This was an assessment of the economic implications of noise, vibrations, air quality, aesthetics, property acquisitions, and influence of changes to travel time for local commuters as well as the fiscal impacts to the City, such as changes to student enrollment and changes to the job-housing balance of the City. The information originated from work done for the EIR, with their primary material prepared by engineers and environmental impact assessors. He clarified that where the EIR and alternatives analysis fell short; they did some quantification on their own. They tried to be conservative and objective in not overestimating any positive impacts while fully capturing any negative impacts that might happen. The Caltrain project is going to operate on existing right-of-way, on existing tracks with the same crossings they already have. Service will increase from 98 trains to 114 trains. The primary facilities required will be the poles and wires of electrified trains. The EIR suggested noise would decrease, with electric trains being quieter than diesel trains. However, for this community in particular, there were four-grade crossings that have requirements for horns and for crossing bells that were not included in the EIR estimates. The EPS estimated how many more bells and horns there would be based on increase in service level and how that would affect the noise in the community. EPS estimated 2 decibels quieter trains while the bells and whistles would increase by 2 decibels, so there would be no net change to the noise, therefore there would be no net change to property values and economic impacts.

Chair Klein stated that he lives a mile and a half from a train crossing and he can hear the whistle but not the actual train on the tracks, therefore the bells and whistles would affect him slightly but not the sound of the actual trains. He asked Mr. Smith how he calculates for that difference.

Mr. Smith said they did not include proximity in their information. The community historically had 98 bells per day at each of the four crossings. Adding 16 more over a 24 hour period was not likely to affect property value.

Elizabeth Lexis from CAARD spoke about loud horns. She said that under the rules that Caltrain accepted freight trains will have to be bound midnight to 5:30 a.m. The freight trains, which are much louder, would be moved to the middle of the nighttime period.

Mr. Smith responded by asking what the freight train schedule was currently.

Ms. Lexis stated they run in the evenings and at night time. They were concerned about adding more trains in the middle of the night.

Mr. Smith asked how many trains there were.

Ms. Lexis stated there were two round trips of four trains.

Mr. Smith stated he would consider incorporating the freight train concerns into the analysis and then continued with the presentation. He stated it was difficult to separate economic impact of vibrations from that of the noise. Commercial properties and science-oriented businesses were more sensitive to vibrations than anyone else. The EIR suggested the vibrations would be reduced substantially, with 80% fewer properties being affected. The overall assessment was the vibration impacts would improve and be capitalized into increased property values within 100 feet of the tracks by one percent.

Council Member Burt asked Mr. Smith to explain how electrification would reduce the vibration impact.

Mr. Smith stated he could not explain it but took the experts analysis on faith.

Council Member Burt asked him to cite his source.

Mr. Smith stated it was the Caltrain EIR.

Council Member Burt asked if they cited their sources.

Mr. Smith stated he wasn't sure, but hoped they could.

Mr. Emslie stated Staff would research that.

Council Member Burt stated that given much of the report was about identifying shortcomings in the EIR they shouldn't assume it was correct.

Chair Klein the focus for EPS was not to identify the EIR shortcomings.

Council Member Burt stated he did not see a distinction regarding the distance from tracks.

Mr. Smith stated they tried to assess the area the impact was currently felt, within a 100 feet of the right-of-way, depending on the type of building and soil and other variables. They attempted to narrowly define the area the vibrations would be felt which included 211 properties.

Council Member Burt commented that the noise and vibration had to do with weight not speed.

Mr. Smith stated he understood the number of trains would not change just the schedule.

Council Member Burt said the issue was not just noise, but also vibration.

Council Member Price asked if EPS had reviewed the BART studies related to noise and vibration.

Mr. Smith stated they reviewed the property value impact.

Council Member Price stated the issue was the same with Light Rail.

Mr. Smith continued his presentation with circulation. The EIR indicated there would be no change of existing conditions, except for perhaps a slight improvement. EPS factored in other costs such as time and fuel while waiting for trains to pass. In this area the cost is estimated to \$18 per hour.

Council Member Shepherd asked if the City of Palo Alto's Chief Transportation Official had any comments to add.

Jaime Rodriguez, Chief Transportation Official, stated EPS used a standard approach.

Council Member Shepherd asked if Mr. Rodriguez agreed that electric trains would go faster.

Mr. Rodriguez stated that was a fine distinction, the Caltrain report did not state the trains would go faster, but they would accelerate and decelerate faster. It would require a more significant amount of improvements.

Ms. Lexis stated this analysis was only good for non-signalized crossings such

as Alma. It was limited to the amount of cars and time the gate was down. The other three crossings were signalized, and the number of times the gate was down became an issue. She stated this analysis was only good for the Alma crossing not the other three.

Council Member Shepherd agreed.

Mr. Rodriguez stated the sequencing had been discussed, and mitigation had been suggested. The approach was the same for both types of crossings. The delay impacts affected the side streets. He stated Caltrain had contacted him the previous day to discuss signal sequence changes.

Council Member Burt stated that the El Camino back up at Charleston and Churchill also factored into the issue. At rush hour, there was further downtime and more trains would create a greater disconnect. He discussed the rapid transit looking at preemptive signals on El Camino and if both exist the impact on congestion would be compounded. He asked if the down time was reviewed prior to quad tracks.

Mr. Smith stated it was reviewed on April 4, 2011.

Mr. Rodriguez stated the VTA already preempts signals along El Camino Real. It was a different type of technology than what was being proposed and there would be no additional impact.

Council Member Burt stated there would be a difference in volume, not time.

Mr. Rodriguez agreed.

Council Member Burt stated the quad gates were installed would have greater down time.

Mr. Rodriguez discussed the intersections with quad gates and the difference between quad gates and standard. Quad gates had significant impact through pre-signals. The impacts were mainly neighborhood traffic. He did not have sufficient information to determine which gate type would be best.

Council Member Burt asked for clarification regarding the regional average of \$18 per hour for trains to wait, as stated by Mr. Smith. .

Mr. Smith stated the average he quoted was for the South Bay.

Council Member Burt asked if they should use a Palo Alto based figure.

Mr. Smith stated no because he didn't know what that would be. Additionally the traffic in Palo Alto includes residents and workers.

Council Member Burt stated it would be both and it was not the same figure as the regional, that it would be higher.

Mr. Smith stated his team would consider that

Council Member Burt stated they would need the approximate portion of drivers that were residents versus workers, and whether they have average estimates of wage per hour for residents and workers.

A member of the public spoke regarding quad gates that were installed in Atherton. He felt they would be better protection from automobile accidents. He cited an example of a car accident in Illinois that created a situation that installed quad gates through the entire region.

Chair Klein stated quad gates were not the topic of the consultant's report and they needed to stay on topic.

A member of the public asked if it were appropriate to introduce a new concept. Then he discussed vibration, saying that the reduction of vibration discussed by Caltrain was negligible.

Council Member Shepherd asked if Mr. Rodriguez could come back to discuss the intersections again.

Chair Klein stated they could add it at the July meeting.

A member of the public asked them to discuss traffic impacts to neighborhoods.

Mr. Smith discussed air quality. Electric trains had 90% lower emissions than diesel even with more trains. Analysis stated that air quality does get capitalized into property values. Poles and wires should not significantly impact the aesthetics of the corridor according to the EIR. Properties that look at the substation will be diminished in value by 5%.

A member of the public stated there was no mention of trees that would be removed for catenaries which would create an aesthetic change along Alma. She also discussed the pole spacing as listed in the EIR stating they were closer

than needed. She stated that in Palo Alto they felt poles and such were not pleasing and residents spent much money to put most poles underground, this does not fit with that value.

Ms. Lexis stated the paralleling station had been moved next to the main entrance to a historic neighborhood and within the site line of the community park. There seemed to be no technical reason for it to be in that position.

Council Member Shepherd stated it was the Mountain View parallel station.

Mr. Smith stated they did note the property impacts in Palo Alto even though it was in Mountain View.

Herb Borock stated the EIR was the next agenda topic. The consultants responded to the economic analysis. Peoples' main concerns were not about making money but rather how much they enjoyed living here. He stated the Council needed to weigh those values.

Council Member Burt disagreed saying enjoyment could be quantified.

Chair Klein stated that they did have experience with overhead wires and have undergrounded utilities in close to half of their neighborhoods. Data could be gathered regarding the positive impact of that.

Mr. Smith stated that they did look for studies supporting that but did not have the scope to really study it. They found some inconclusive literature. He recognized it may be important he just could not find convincing evidence.

Council Member Price discussed the technical feasibility for underground wiring for the trains.

A member of the public stated they could use a third rail instead of overhead but the max speed would be 100mph and Prop 1a funds would not work. In the UK all trains can switch between overhead and third rail and adjust speed as needed.

Mr. Smith stated the EIR indicated no public or private property should be acquired.

Chair Klein stated that was not feasible.

Council Member Shepherd stated this was Caltrain not High Speed Rail but they

kept fixating on traffic, as the guard-rails would go down.

Mr. Smith stated the big impact for Caltrain would be the improvement in travel time for Palo Alto commuters. He cited a city in New Jersey that by improving travel times significantly affected property values. The theory was that shorter commutes correlate to higher property values. They took a conservative approach and assumed Caltrain electrification would decrease the average ride by 4 minutes and properties within half a mile would increase in value by one percent. In aggregate it would be about \$34 million in increased value.

Chair Klein stated Palo Alto commuters' usage of Caltrain was different than New Jersey in that traffic in New Jersey is only one way – towards Manhattan from New Jersey - but here it is two ways – back and forth from Palo Alto and San Francisco. He asked that, if given that assumption, if the New Jersey survey is valid.

Mr. Smith stated it was the most parallel data they could find. They recognized that it was not perfect and made a conservative assumption.

Council Member Price stated the studies do support the property value assumptions made. She asked about the statements regarding growth inducement and the efforts being made to encourage compact development intensification around stations. She suggested Mr. Smith was being extremely cautious and asked him to talk about that in terms of jobs and housing.

Mr. Smith stated jobs, housing, and student enrollment were assumed on no growth inducement. The Caltrain project itself will moderately increase the trains and affect travel time. It was a different situation when a station was built in an undeveloped area to entice growth. Thus far Palo Alto has not made the policy decision to intensify development which was another reason they did not feel this project would induce growth.

Council Member Price left at 9:03.

Ms. Lexis stated that it would bring enormous changes. The way the current system is set up was to make University Avenue flow. This would create a much more frequent service both at University and California Avenue, which is currently under served.

A member of the public stated increasing speed was very relevant to housing appreciation.

Council Member Burt stated the current Caltrain electrification plan was not designed to decrease the travel time on the main stops. California Avenue and San Antonio would experience decreased travel time but University would not.

Mr. Smith summarized the main impacts. There would be approximately \$35 million of positive economic impact on Palo Alto, coming to about \$40 thousand a year. During construction they estimated about \$230 thousand increase in local spending from the workers. There would be no associated changes to cost of providing public services.

Council Member Burt stated that if the assumptions were that all the stations would benefit from decreased travel time, there would be other factors because University would not have that benefit. The biggest economic benefit may be more than doubled in its exaggeration because it was under that assumption.

Mr. Smith stated he understood the distinctions of the New Jersey study were not just the property values from the people that took the train.

Council Member Burt stated that would be the case if there were no travel time benefits.

Mr. Smith stated he will consider whether he overestimated even with their intention to be conservative.

Council Member Burt said the property values were the most impacted and it was twice what it should be.

Economic & Planning Systems Report – Caltrain & High Speed Rail

Darin Smith, Economic & Planning Systems, Incorporated, discussed the High Speed Rail project description. He stated the system would operate on shared tracks with Caltrain. It was designed for 228 trains through the Peninsula but it was impossible to predict exactly how many would run. The analysis was done on the full operating capacity of the service. He clarified that there were no Palo Alto stops being planned for High Speed Rail currently. The train would run through Palo Alto but would not stop within city limits.

A member of the public stated they should add freight service.

A member of the public stated he thought they were not going to discuss a blended system. A blended system would require to three tracks.

Mr. Smith discussed the areas where tracks would be aerial versus open trench. There would be three permanent alignments: Option A being at-grade and aerial tracks, Option B being open trench tracks and at-grade becoming aerial, and Option B1 being open trench tracks throughout the City. The non-permanent portion would be the initial operating phase where the train would continue to run with existing grade crossings. Only comparative alternative analysis has been provided for High Speed Rail. Regarding noise, electric trains will be quieter than diesel trains and the aerial configuration would be the loudest part. Open trench would be the quietest. Elimination of grade crossings would also eliminate bells and horns. Each of the three options causes different effects on property values, with Option A causing a \$12 million decrease around the aerial portion, Option B causing increase in value around open trench for a net gain in value, Option B1 having an increase of property value within 500 feet to over \$30 million. In the initial operating phase there would be a reduction of \$26 million. The assumption is that the three permanent configurations would have up to 228 trains per day with less in the initial operating phase.

Council Member Shepherd stated the train went through town without stopping and asked if Caltrain would have a system next to it.

Mr. Smith stated that under any option they would both be in the same place.

Council Member Shepherd stated that explains why High Speed Rail wouldn't add value other than in its affect with Caltrain.

Mr. Smith clarified if this was about noise.

Council Member Shepherd replied yes and asked if the \$30 million increase was because Caltrain also would go below ground.

Mr. Smith stated there were no more at-grade crossings. Bells and whistles would no longer sound and the open trench would reduce noise. Aerial also not have bells or whistles. This data assumes the both Caltrain and High Speed Rail would run in the same place.

Council Member Shepherd clarified that wherever High Speed Rail goes, Caltrain goes too.

A member of the public stated the duration of the options were 15 seconds except during the initial operating phase which was 45 seconds. The bells and whistles will continue at the two Palo Alto stations and is not true at the cross

streets.

Mr. Smith stated the open trench configuration had the best impacts for noise. For vibrations the expectation was that the electric trains would be lower in vibrations, with aerial having the most.

Council Member Burt stated that at-grade did not have a greater vibration according to a Japanese study which stated aerial had the greatest impact.

Mr. Smith stated the information was from the alternatives analysis and if that was inaccurate they would have to reanalyze.

A member of the public stated it was track design that was critical.

Stephen Emslie, Deputy City Manager, stated Staff had the Japanese studies and would provide them to the consultant.

Council Member Shepherd stated this should have been a peer review. She stated that she needed to understand when EPS was using material researched by their own Staff and when they were using external information.

Mr. Smith stated the reports were clearly labeled.

Council Member Shepherd asked if they peer reviewed their information.

Mr. Smith stated they did not.

Mr. Emslie stated that Staff will annotate their material going forward so Council Members see where they used the alternatives analysis material.

Mr. Smith stated EPS tried to account for these variables but lacked the expertise to disagree with their expertise.

Council Member Burt did not see a reference distinguishing freight. The louder elevated trains combined with the freights running at a bad time would increase the negative effects. The reduction in impact from a below grade would perhaps be a greater reduction.

Mr. Smith discussed circulation. At-grade crossings would improve the travel time of drivers. Circulation gets better under situations A, B, and B1 yet worse under the initial operating phase. He discussed aesthetics. Aerial would have the worst impact aesthetically. Anyone along the part of the corridor with aerial

tracks would have diminished property tax, with 10% reduction for residential and 5% for commercial.

Chair Klein asked where they got the 10% from.

Mr. Smith stated they searched for literature that was comparable. They did not find any. It was mostly a subjective conclusion. It was a substantial reduction. They believe that with the other positive reasons for someone to locate their family or business in Palo Alto that property values would not decrease so significantly.

Chair Klein asked the distance of the 324 residential properties from the tracks.

Mr. Smith stated the ones fronting Alma Street and the ones backing up to the row.

Chair Klein asked if there was a guess of what happens to properties a few blocks away.

Mr. Smith stated this impact would not affect properties further out, aesthetically.

Chair Klein clarified it was for properties touching the track.

Mr. Smith stated the properties directly facing the track.

Council Member Shepherd clarified the aerials wouldn't be noticed by anyone past the corridor.

Mr. Smith stated they don't expect people would pay less for a house three blocks away from aerial tracks because of its aesthetics.

Council Member Shepherd asked what if it was one block.

Mr. Smith stated there was not enough design information at this point, so they made their assumptions the way they have presented it.

Council Member Burt stated he would question that the assumption. He stated the community has already acknowledged that the view corridor has a quantitative correlation, and because of the grid pattern in the neighborhoods many streets look down at the tracks. He does not see how it would have no impact.

Ms. Lexis stated that they should ask how much people would pay to not look at it. She stated people in this community, in particular, would put up with a lot of things to not have to have certain bad aesthetics.

Council Member Burt added that it was not just the visual impact when at home, it is as you travel through the community that you would see it.

Council Member Shepherd stated that when you go down Central Expressway in the South Bay the tracks were walled off. She stated she sees it changing Palo Alto into a similarly walled off community.

Ms. Lexis stated it was quantifiable beyond property values. Quality of life would be affected.

Chair Klein added that these were all value items. He stated another would be the affect on the neighborhood. And one house value affects another.

Mr. Smith stated in this case that direct impact may not spread. He reiterated that their conclusion was that aerials would be the worst option.

Council Member Burt stated they wanted to support the conclusion. The real estate community has evaluated much of this already.

Mr. Smith stated if there was more analysis available they would be happy to review it. He recapped that aesthetics. The information on property acquisition was confusing. The alternatives analysis indicated that some roadways may be impacted; however, the project engineers did not expect there to be a net loss of capacity on those roadways, or private property.

Council Member Shepherd stated it had been her experience that their explanation to the community was different than actual production. She stated she could not accept the property acquisition information.

Chair Klein stated the Consultant was not hired to engineer High Speed Rail.

Mr. Emslie stated they could inject more ambiguity in the report.

Chair Klein stated some vague numbers had been discussed earlier.

Ms. Lexis stated her concern was that if EPS was not sure they should not put information in the High Speed Rail findings as it endorses the findings.

Mr. Smith stated they could re-label the findings.

A member of the public stated this was a piece of the EIR with a hole. They need to either release the data or say they don't have it.

Council Member Shepherd stated that during construction it was expected that if they entered from the neighborhood they would have to relocate people for access. If their home was left their yard would still be mangled. They should just take it rather than making nice and trying to put everything back in place.

Mr. Smith stated he appreciated the discussion and would recharacterize. He stated there would be the same marginal property value enhancement from improved air quality as with Caltrain. Aggregate would come to \$600 thousand of value. Travel time would not improve from High Speed Rail in Palo Alto because there is no stop, but with Caltrain there would be the same improvements as previously discussed. Construction period impacts have very little information on what it would do because there is not an EIR. The job spending has been estimated by prorating the overall job creation for the project and there was a modest gain in worker spending. There would be no public service costs over the long term. Sales tax attributed to construction workers comes to \$26 thousand. Property taxes depend on each configuration.

Chair Klein stated significant takings needed to be considered.

Mr. Smith agreed. Option B1 had most positive tax impacts. They were not expecting growth inducement.

Council Member Burt asked about property taxes. He stated they would impact schools more than the City.

Council Member Shepherd stated the schools get about 55% of property taxes.

Chair Klein stated the quality of schools leads to an increase in property values.

Mr. Smith stated it could be added.

Council Member Burt stated there would be a direct impact on schools which would relate back to property value.

Mr. Emslie asked if there could be a qualitative statement concerning school impacts.

Council Member Shepherd stated the service to this specific community does include schools.

Council Member Burt suggested saying overall residential property values are impacted by schools.

Mr. Smith stated you must estimate how much schools would be improved.

Council Member Burt suggested saying on a fiscal basis that whatever percent of the budget correlates to loss.

Mr. Smith summarized the alternatives analysis.

Chair Klein thanked Mr. Smith for his presentation.

A member of the public stated it was difficult to believe it would not impact homes.

I. Future Meetings and Agendas

Chair Klein asked Staff if an additional meeting was needed prior to the July meeting.

Council Member Burt asked if they could poll the group and see if the 7th or 14th would work.

Chair Klein stated the 7th was too soon.

Council Member Shepherd stated not if they already have the presentation.

Council Member Burt stated they need to hear reports that they were meant to hear today.

Chair Klein agreed.

Chair Klein stated the 7th is two weeks away.

Richard Hackmann stated the PCC has been undecided on July 8th. They are switching to Atherton.

II. Adjournment

ADJOURNMENT: Meeting adjourned at 10:05 p.m.