



CITY OF
**PALO
ALTO**

City Council Rail Committee
DRAFT MINUTES

Special Meeting
December 6, 2012

ROLL CALL

Chair Klein called the meeting to order at 8:32 A.M. in the Council Conference Room, 250 Hamilton Avenue, Palo Alto, California.

Present: Burt, Klein, Shepherd

Absent: Scharff

ORAL COMMUNICATIONS

None

APPROVAL OF MINUTES

August 10, 2012 September 13, 2012

MOTION: Council Member Shepherd moved, seconded by Council Member Burt that the City Council Rail Committee approve the minutes as presented.

MOTION PASSED: 3-0 Scharff Absent

3. Report From the Professional Evaluation Group, Inc.
Update on and Discussion of Potential Revisions to CEQA

John Garamendi Jr. mentioned Chris Ochoa was attending the High Speed Rail Authority (HSRA) meeting in Sacramento. The passing of Proposition 30 in November confirmed the Democratic Party had the majority in the State Senate.

Chair Klein asked if that was a temporary situation.

Mr. Garamendi said yes because of special elections, the Democratic majority would return in April of 2013. Politically, in Sacramento there was

not going to be a movement to stop the train from moving forward. There were continued legal movements that inhibited the train project. Some legal issues questioned compliance with Proposition 1A, the approval of funds for a high-speed passenger train from San Francisco to Los Angeles. The question was how to mitigate the impacts on Palo Alto, Caltrain, the two-track system, and where this project was headed next year; the General Accounting Office was releasing a report in February 2013. He mentioned fiscal problems that were considered. Senator Hill and his staff were committed to assist in bringing forward the clean-up language with Senate Bill 1029 (SB). Some topics discussed were the Memorandum of Understanding (MOU) between Caltrain and High Speed Rail (HSR). In 2013 there was a great deal of discussion on California Environmental Quality Act (CEQA) change but the expectation was HSR was going to be impacted; some impacts were environmental changes. There were delays occurring in the bidding process and how that was going to impact spending. New Board members were also going to effect changes in the project. He emphasized the importance of communication and collaboration between other organizations that were working on HSR type projects. He said the role of citizens bringing forth accountability for the project was increasing because if no one was asking questions, there was going to be no accountability for the project. Senator Hill was interested in a collaborative effort, and as long as Staff was putting into effect items that people had already agreed to, clean-up of the project was going to take place.

Council Member Burt asked what Mr. Garamendi foresaw as the timing on the CEQA issue and what did he see in terms of intentions. The Silicon Valley Leadership Group (SVLG) created a listing of the substance they were seeking. They were heavy advocates of the reform. Palo Alto was part of the plaintiff side of the table but he desired a discussion on the overall interest and overall interest of cities involved.

Mr. Garamendi said his firm had been representing Palo Alto on the CEQA situation. If the Council wished a broader conversation regarding CEQA reform he needed to incorporate those strategies into their current movement. When the guidelines shifted, they were going to shift their guidelines as well.

Council Member Burt had concern with the timing in which the HSR could erupt from the gate because it could leave little to no time for the City to respond in substance or to respond politically.

Mr. Garamendi said the governor was not a fan of the CEQA process as noted on his record. He believed there would be a large plan presented but believed there would be time for public hearings.

Council Member Shepherd said the Bay Area Council was instrumental in achieving the Metropolitan Transportation Commission (MTC) Agreement and asked if there was a nexus in the Bay Area Council to open a trade market in China with the HSR. In considering the CEQA portion of this project, was there a discussion on grade separation with consideration to funding.

Mr. Garamendi said it was good to look at all aspects and said the City certainly should review all of the items. There was not going to be a HSR entering in the near future but there would be improvements with Caltrain.

Council Member Shepherd said now was a good time to discuss funding.

Mr. Garamendi said the MOU circulated by Richard Hackmann, Management Specialist discussed the funding which had reference to grade separations. Palo Alto needed to argue their case for their portion of the \$700 million.

Council Member Shepherd understood Palo Alto was not interested in an elevated rail which meant the rails needed to be trenched. She wanted to make sure that Palo Alto did not accept any options that were given to the City.

Mr. Garamendi agreed that now was to time to discuss what the City needed.

Council Member Shepherd asked how the process would begin.

Mr. Garamendi said the Joint Powers Board (JPB) needed to be brought into the discussion, along with Caltrain.

Council Member Shepherd asked if the JPB and Caltrain went back to Sacramento after those discussions took place.

Mr. Garamendi said his understanding of the MOU was that Caltrain would get the money but he needed clarification from Caltrain.

Chair Klein said Caltrain had received a portion of the funds already.

Council Member Burt asked Council Member Shepherd for her clarification on the term trenching.

Council Member Shepherd said her reference referred to trenching the tracks, not the roadway.

Council Member Burt said there was a difference between the understanding of Palo Alto and the JPB. Palo Alto had interference with homes in trenching the tracks, along with major streets, like Alma Street. The overriding cost for trenching was ranking the grade separation in their system. He believed the officials who had control over the physical reality needed to occur sooner than later. The request was to ask for perks that not all communities were asking for, and in the case of Palo Alto, it was driven by different circumstances.

Chair Klein said the trenching was going to be an extensive discussion but there was not nearly enough information to have those discussions. He said they needed to go back to basics to see if grade separation was even necessary.

Jerry Carlson, Atherton Council Member said Rob Matta spoke to him regarding the CEQA topic and he had contacted the City/County Association of Governments of San Mateo County (CCAG) Director and requested the most if not all of the agencies belonged to the CCAG were taking part in this discussion. After having these discussions, his sense was that most agencies did not want to see changes. He contacted the San Mateo County Board of Supervisors to determine if they were aware of what was going to happen.

Council Member Burt said Caltrain had been consistently in favor of CEQA.

Mr. Carlson said the grade separation issue would exist with or without HSR and said it needed to be discussed on a regional basis.

Chair Klein asked, in working with Senator Hill on the clean-up bill, would the Assemblymen want to work on that.

Mr. Garamendi said the Assemblymen worked with Senator Gordon.

Chair Klein asked if Mr. Garamendi had any conversations about that.

Mr. Garamendi said Senator Hill was willing to lead, and believed Assemblyman Gordon was willing to assist.

Council Member Burt thought it was important to contact Assemblyman Gordon because he was personally promised by the assembly leadership that there would be clean up language with the concerns he had.

Mr. Garamendi said he would circle back with Assemblyman Gordon.

Council Member Burt said the question to Assemblyman Gordon was what happened with the promises made and the assurance given to Palo Alto.

NO ACTION TAKEN

4. Discussion of a Renewal of the Professional Evaluation Group Contract

Aaron Akin, Assistant Director for Planning and Community Environment learned there were a lot of evolving components, which was especially related to California Environmental Quality Act (CEQA) reform. He had worked closely with Senator Hill in previous matters and believed Senator Hill would be an advocate. He recommended \$10,000 per month with a one-year term.

Council Member Burt said part of the discussion needed to be around the role of what the Professional Evaluation Group would take. The perspective on CEQA and High Speed Rail (HSR) and how that converged with the City was still not resolved. He asked if it was the intention that the Professional Evaluation Group would be representing the City on the CEQA reform on both aspects as they related to the HSR and the broader issue as they affected the City.

Mr. Akin said there were broader issues related to CEQA and thought that was something that needed to be discussed.

Council Member Burt said the reason he brought it up was there was a representative from the Professional Evaluation Group on some aspects of CEQA.

Steve Emslie, Deputy City Manager said there was no other representation in Sacramento.

Council Member Burt said he assumed there were still important issues in Sacramento but the CEQA issue had increased.

Mr. Emslie was going to take a look at the Scope of Services.

Chair Klein said he did not recall a Council discussion where they indicated any desires in changes with CEQA.

Council Member Burt said his intent was to understand the City's position and how they would respond. He thought two questions to discuss were whether Council thought there were changes in CEQA and how Council felt about proposed changes.

Chair Klein said there were offensive and defensive positions and asked if there was something Council Member Burt wanted changed.

Council Member Burt said he was not advocating any specific changes but said both sides of the issue needed to be thought about.

Chair Klein asked if there were any CEQA changes the Staff felt needed to be changed to improve or positively affect the City.

Mr. Emslie said Staff did not believe there were inherent flaws in the CEQA process.

Council Member Burt said the Silicon Valley Leadership Group (SVLG) had their north county meeting with the city elected officials and one of the things they pushed was advocating for CEQA reform. There was a lot of acquiescence in the group. He asked if they had examined areas of CEQA that could strengthen not necessarily weaken. He thought it might be good to examine CEQA reforms to help see the outcomes and to prepare cities for what was to come in the future.

Chair Klein said the CEQA topic was a worthy one but requested Staff return for a further discussion.

Council Member Shepherd said there was angst over CEQA in terms of delaying grant dollars. There were a number of organizations pushing for the CEQA changes and she feared being left out.

Council Member Burt said Senator Simitian was an expert on CEQA issues and felt he would be an ally.

MOTION: Council Member Shepherd moved, seconded by Chair Klein that the City Council Rail Committee recommend the City Council approve the renewal of the contract for Professional Evaluation Group.

Council Member Burt said in the context of the previous contract, the wording of the contract was narrowly written to inhibit the scope change; he asked when that would occur, if Council wanted to do that.

Richard Hackmann, Management Specialist said it was good to renew the contract with the current work that was done and suggested returning with a revised scope of services if necessary.

Council Member Burt said if it was renewed under a narrower scope, would there not be an additional cost for a broader scope.

Mr. Emslie suggested getting direction from Council to change the scope and to recommend any changes that enabled the Professional Evaluation Group to handle broader issues, making sure the wording did not hinder Palo Alto.

Council Member Burt offered Mr. Emslie's suggestion as an Amendment to the Motion.

Chair Klein supported the Amendment but did not necessarily agree that there was a reduced Scope of Services 2013. He believed there would be a number of surprises with HSR reacting to the sovereign investment funds because there was not sufficient funding.

Council Member Burt anticipated, if that occurred, it might add some things to the issue that was not currently on the table. Not considering that, there was significantly less work completed on the HSR project.

MOTION PASSED: 3-0 Scharff absent

5. Discussion of Possible Revisions and Updates to the Rail Committee Guiding Principles

Aaron Akin, Assistant Director for Planning and Community Environment stated Staff made the Introduction text more relevant. There was general City Council Rail Committee (Committee) guidance that made the Guiding Principles less strident.

Herb Borock noted the first paragraph in the Background of High Speed Rail (HSR) and said it was actually the money coming from the HSR that was linked to electrification. Caltrain was planning to electrify the train with the anticipated funding. In Guiding Principles on the bottom of page under Item 1, he thought the report should say voters were "required" rather than

"expected". Under Item Number 15 the report said the funding should be by the lead agency, he suggested removing the "lead agency" and spelling out Caltrain. In Item Number 12, he suggested some words to say "identify and study". Under Item Number 14, he suggested the word "agencies" instead of "vehicles". He emphasized two Environmental Impact Reports (EIR's), one for the modernization of Caltrain, the second for the added improvement of the Blended System. Under Item 7 there was discussion of the Memorandum of Understanding (MOU) between Caltrain and HSR; he thought HSR should be the lead agency for added improvements. He thought it was important Caltrain modernization not anticipate improvements. He suggested adding between Item 13 and 14; the two projects had their own EIR. One was an updated EIR for Caltrain modernization that did not include additional improvements from HSR and the second was attracting language from the MOU discussion about the subsequent EIR additive improvements to support the Bended Systems.

Council Member Burt was not sure there was a need to review all of the marked up changes. He was interested in several comments Mr. Borock raised.

Chair Klein had a number of changes and felt it was useful to review each of them.

Council Member Shepherd believed the Guiding Principles were updated and was interested in Mr. Borock's recommendations. For example in Item 1, using "expected" rather than "required".

Chair Klein agreed with Mr. Borock's suggested changes on Item Number 1. He suggested the language state "the voters also require that HSR operate."

Council Member Shepherd wanted to go back to the comment "in anticipation of HSR, Caltrain was proposing to modernize" was not a good sequence because Caltrain was intending to modernize and HSR was intending to tag onto it.

Chair Klein asked if there was intended wording.

Council Member Shepherd said to drop the first four words.

Chair Klein suggested saying that Caltrain was only doing this with some of the HSR funds. He clarified that Caltrain was proposing on modernizing this segment, including electrification of the trains, using in part, HSR funds.

Council Member Shepherd recommended spelling out billion in the second paragraph on page one.

Chair Klein agreed that there should be something written about having two EIR's and should be placed after Item 16. He suggested changing the last line in Item 15 because the term "lead agency" was getting the City into a trap. He suggested the wording say "these improvements must be funded and implemented by Caltrain and/or HSR".

Council Member Shepherd wondered about the two California Environmental Quality Act (CEQA) processes and how they fit into the Guiding Principles.

Chair Klein said each Guiding Principles was to solve one idea.

Council Member Burt returned to Item 15 and wanted Council to be comfortable with the wording included because Caltrain was the vehicle for which funds passed. If there were further funds which passed through Caltrain, was the current language going to allow for that.

Chair Klein suggested Item 15 say "these improvements must be funded and implemented by Caltrain and/or HSR, or other external sources".

Council Member Burt asked if Council wanted to be supportive of implementation by HSR.

Council Member Shepherd wanted to drop the word "implemented."

Chair Klein said it was good to focus on funding.

Council Member Burt confirmed that dropping the "implementation" part was a good suggestion.

Chair Klein said the language would read "these improvements must be funded by Caltrain, and/or HSR, or other external sources."

Council Member Burt suggested listing "Caltrain, High Speed Rail, and/or other external sources."

Council Member Shepherd agreed that it was confusing to use the word "vehicles" in Item 14; she recommended using "agencies." She asked if Council wanted to craft wording for the two CEQA's.

Chair Klein agreed and said he wanted it to go after Item 16.

Council Member Burt said the CEQA modification should not be modified in any way and asked what would happen if there was a need for strengthening. He said having wording that said "no modification" was too strong. He was not sure it accurately supported the thinking after they examined it.

Chair Klein felt it was appropriate right now because the Guiding Principles were directions to Mr. Garamendi that reflected Council's opinion. He was happy with CEQA now.

Council Member Burt said Palo Alto went through as plaintiffs with complaints on how CEQA managed the project without addressing certain issues.

Mr. Akin agreed and suggested the CEQA modifications say "shall not be modified in any way that reduces the strength of the HSR, Caltrain Corridor, or Environmental Review Process as currently required".

Chair Klein did not feel that language captured Council Member Burt's point.

Council Member Burt suggested changing to "shall not be modified in any way that 'undermines' the HSR, Caltrain Corridor, or Environmental Review Process".

Chair Klein said the trouble he had with the term undermined was it depended on who was interpreting the language. He thought 'undermined' could mean the opposite to some people.

Council Member Burt said upon a closer review, a more defined position needed to be made. He wanted to make sure the wording did not lock Palo Alto into a policy that would inhibit it from opportunities in the future.

Chair Klein had no problem changing the Guiding Principles as they were needed.

Council Member Shepherd suggested "unless approved by the Committee".

Council Member Burt said it needed to be Council, not the Committee.

Council Member Shepherd did not feel the Committee was prepared to make the changes.

Chair Klein said there was not yet a proposal from the Governor.

Council Member Shepherd's biggest concern was exemption. She did not want to change anything right now.

Chair Klein said this was consistent with the San Mateo position, not wanting to post changes.

Council Member Burt was pleased that City/County Association of Governments (CCAG) had the position they did. The Santa Clara County Cities Association and CCAG were what made up the cities that were part of the Joint Powers Authority (JPA). He requested Staff redistribute the Caltrain letters that referred to the CEQA changes.

Chair Klein did not recall seeing the guidelines or principals that the Silicon Valley Leadership Group (SVLG) proposed with regard to CEQA's modification.

Council Member Burt thought it was good to get those distributed.

Chair Klein suggested continuing the CEQA item on the next agenda.

Council Member Burt said the Council usually channeled discussion of broader CEQA issues through the Policy and Services Committee. He asked about splitting Rail CEQA and having broader CEQA discussions.

Chair Klein said a great deal was determined by what was released from the Governor's Office.

Council Member Burt said most of the CEQA reforms were not focused on the Rail.

Council Member Shepherd said it was helpful for Staff to look into SVLG, Metropolitan Transportation Commission, JPA, and Bay Area Government to get a recommendation of the best way to handle this situation.

MOTION: Chair Klein moved, seconded by Council Member Shepherd that the following wording be changed: a) Background; ~~In anticipation of HSR,~~ Caltrain is proposing to modernize this segment, including electrification of the trains, b) Guiding Principles; The voters also ~~expected~~ required that HSR could operate without a subsidy, and c) These improvements must be funded and implemented by ~~the lead agency~~ Caltrain, High Speed Rail, and/or other external sources.

MOTION PASSED: 3-0 Scharff absent

6. Discussion of the Rail Corridor Task Force Final Report

Aaron Akin, Assistant Director for Planning and Community Environment said the Council reviewed the Rail Corridor Study in September and recommended a number of wording changes. Staff then reviewed the document and made changes.

Elena Suzuki, Senior Planner said Staff provided a list of changes that focused on three items: Council's position on the Caltrain Modernization Project, the most recent Guiding Principles, and concerns of impacts on potential grade crossings. Staff was requesting feedback on the language changes. Following the City Council Rail Committee's (Committee) suggestions, Staff was going to make text changes.

Council Member Burt said the Rail Task Force report addressed their vision of the range of possibilities for the block surrounding the University Avenue train station. He had concerns about adopting the Binding Guiding Policy. He wanted to raise the issue of disregarding the City policies, as the guidelines moved forward.

Council Member Shepherd asked if Council Member Burt was alluding to adding a second floor to the train.

Council Member Burt said he was talking to the adjacent possibility and asked if Council meant to approach a planning document for all the adjacent areas.

Ms. Suzuki said during the Task Force meetings, the intention of the document was to provide a vision and to identify priorities. It spoke to circulation importance, parcels, and connectivity. She said the perimeters that the Joint Task Force members observed as future development were important.

Council Member Burt said there were a few Task Force members that disagreed with Staff report characterization. For example, there was disagreement on the proposal of 27 University Avenue.

Ms. Suzuki said there was disagreement amongst the Task Force members about several items, like the alignment of the rail, and which neighborhoods were able to take more development. The basic agreement was that careful study be made so all impacts were mitigated.

Council Member Shepherd said the document was being cycled through the Committee for language but Council was going to make the approval.

Council Member Burt said the Committee was responsible for making the recommendation to Council.

Chair Klein asked if this decision was going to be part of the Comprehensive Plan.

Mr. Akin said it was an implementing tool of the Comprehensive Plan because the Comprehensive Plan set the overall policy and there were policies that had a greater study of the Rail Corridor area.

Chair Klein asked what happened when Council did something inconsistent with the Comprehensive Plan and how that affected the Rail Corridor Study.

Mr. Akin said, within the Comprehensive Plan or the implementing document, the wording was important. There was other wording that needed to be amended if there were inconsistencies within development.

Council Member Burt said it seemed critical to incorporate supporting documents into the Comprehensive Plan.

Steve Emslie, Deputy City Manager said there was an amendment to the Comprehensive Plan that included the Rail Corridor Plan.

Ms. Suzuki said Staff was going to incorporate a Vision Document into the Comprehensive Plan. The Vision Document had several changes that were implemented into the Comprehensive Plan amendment process. The Planning and Transportation Commission (P&TC) reviewed changes that reflected the decisions Council made to the Comprehensive Plan.

Council Member Burt asked if it was the intention of the Committee to have the Vision Document implemented and to have all future discussion around the Rail Corridors.

Chair Klein said that was his understanding.

Council Member Burt asked if the language should be incorporated into the motion.

Chair Klein said it should be incorporated in the Motion because it was a message to the Council.

MOTION: Council Member Burt moved, seconded by Council Member Shepherd that the City Council Rail Committee recommend to City Council approve of the Rail Corridor Study as a vision document that would guide and inform future Rail Corridor Policy direction with the accompanying text changes in attachment A to the Staff report dated November 28, 2012.

MOTION PASSED: 3-0 Scharff absent

7. Discussion of the Planned Updates to the Existing Peninsula Corridor Joint Powers Board/California High Speed Rail Authority Memorandum of Understanding

Richard Hackmann, Management Specialist mentioned Council Member Burt was nominated to represent Palo Alto on the Caltrain Policy Making Working group. There was a meeting scheduled for December 20, 2013 where there was direction requested. The topic of revision was going to the High Speed Rail Authority (HSRA) and the Peninsula Corridor Joint Powers Board (JPB) regarding the same matter. Action was to be taken on the possible revisions to the Memorandum of Understanding (MOU) in January of 2013. Staff recommended that letters be provided to Council Member Burt from the MOU and Senate Bill (SB) 1029 Legislation when issues came up.

Chair Klein said the question was what issues had not been discussed.

Council Member Burt said what would be most helpful was to know the JPB response.

Mr. Hackmann clarified that the Staff report was to be considered for inclusion in the new California High Speed Rail Authority (CHSRA) JPB agreement.

Chair Klein said there was an issue of the lead agency, as the City had a consistent position on who they desired as the lead agency.

Council Member Burt said the HSRA's intention was to have the letter outline included and to not have any disagreement from the JPA and the City/County partners.

Chair Klein said HSRA said principles were included from the partners, as well as the nine-party MOU.

Council Burt said his premise was, prior to the input that changed their thinking, in the information in the letter that HSRA planned on offering.

Chair Klein asked what guidance was needed that was not included in the Guiding Principles.

Council Member Burt read a report that said that the HSRA, as an investor and tenant, served as the lead agency for environmental clearance. He received an e-mail from former Mayor Kichimito that had three major points: who would be responsible for cost overruns, who had ownership of finished facilities, and who controlled future scheduling in the event of a conflict and who would fund the maintenance. He understood most of those questions were future needs but thought they needed to be resolved. A secondary question was: what was inconsistent from the established positions.

Chair Klein suggested to Staff to write a memo addressing answers to those questions.

Jerry Carlson, Atherton Council Member opposed the proposal presented to the nine-party MOU group and said they were going have input on December 20, 2012 meeting. A suggestion that came out of the Atherton Council meeting was that the MOU state it was predicated on High Speed Rail (HSR), eventually using the Caltrian tracks and the Proposition 1A funds. They thought having Caltrain as the lead agency was good.

Council Member Shepherd wanted to confirm that Council Member Burt was gathering and sending information to JPB meeting.

Council Member Burt said no, the Policy Making Working Group was separate.

Mr. Hackmann said he understood from Seamus Murphy that information was communicated separately.

Council Member Shepherd requested that the JPB be invited to come before full Council.

Council Member Burt noted that Ben Tripousis is the Northern Regional Director for HSR Authority. He asked if he was the representative for direct discussion.

Mr. Hackmann confirmed that Mr. Tripousis and Caltrain were the main points of contact.

Council Member Burt said he wanted to have some information for the Peninsula Cities Consortium (PCC) meeting happening soon. He requested a draft on how information aligned with the City Council Rail Committee's (Committee) Guiding Principles and wanted to supply the PCC with a copy of the Guiding Principles. He thought the PCC welcomed seeing the Committee's Guiding Principles.

Mr. Hackmann said he would provide the PCC with Palo Alto's Guiding Principles and the information that was reviewed in the letter.

Council Member Shepherd wanted to make sure that whatever money went to Caltrain stayed with Caltrain because if the project fell through, Palo Alto could risk not getting its modernization.

Council Member Burt thought it was interesting to know the exact language of whether the funds continued to go to Caltrain if the project fell apart, and thought the answer was found in the Funding Agreement.

Mr. Hackmann said as part of Staff's discussion with Mr. Garamendi on Clean-up legislation, Staff sought to clarify the ambiguity of could the book end funding be transferred to Central Valley.

NO ACTION TAKEN

8. Reports on Meetings

- California High Speed Rail Authority (CHSRA)
- Peninsula Corridor Joint Powers Board (PCJPB)
- Peninsula Cities Consortium (PCC)
- San Mateo County Rail Corridor Partnership (SMCRCP)
- Caltrain Local Policymakers

ITEM NOT DISCUSSED

FUTURE MEETINGS AND AGENDAS

January 24, 2013

Richard Hackmann, Management Specialist suggested having an earlier meeting in January, if there was significant movement on California Environmental Quality Act.

Chair Klein said the new Mayor needed time to appoint the new Committee members and suggested moving the meeting from January 24 to January 17, 2013.

ADJOURNMENT: The meeting adjourned at 10:11 a.m.