



City of Palo Alto

City Council Staff Report

(ID # 8424)

Report Type: Action Items

Meeting Date: 11/6/2017

Summary Title: North Ventura Coordinated Area Plan: Initiation and Funding Agreements

Title: Adoption of a Resolution Authorizing the Filing of an Application to the Metropolitan Transportation Commission for a Priority Development Area Grant for the North Ventura Coordinated Area Plan (CAP), Expressing Local Support and Committing Any Necessary Matching Funds, and Stating Assurance to Complete the Project; and Approval and Authorization to the City Manager to Execute a Funding Agreement With the Sobrato Organization for Sobrato to Provide the Local Matching Funds and Additional Supporting Funds for Environmental Review in the Amount of \$250,000; and Initiation of the North Ventura Coordinated Area Plan Process. Environmental Assessment: Exempt Under CEQA Guidelines Sections 15061(b)(3) and 15262

From: City Manager

Lead Department: Planning and Community Environment

Recommendation

Staff recommends that the City Council:

1. Adopt the Resolution in Attachment A approving the filing of the application for a Priority Development Area grant for federal funding assigned to the Metropolitan Transportation Commission (MTC), expressing local support for preparation of a North Ventura Coordinated Area Plan, committing the necessary matching funds, and affirming the City's commitment to pursue to completion the planning effort;
2. Approve and authorize the City Manager to execute an agreement with the Sobrato Organization (Attachment B) for \$112,000 in matching funds required by the grant and an additional \$138,000 to pay for environmental analysis;
3. Direct staff to return to Council as soon as possible with a grant agreement and/or resolution meeting requirements of the funding agency and making necessary budget adjustments;
4. Initiate the local planning process for a North Ventura Coordinated Area Plan in

accordance with Palo Alto Municipal Code Section 19.10.020;

5. Direct staff to return to Council for identification of goals, objectives, formal plan boundaries, and a schedule for preparation of the North Ventura Coordinated Area Plan; and
6. Find these actions exempt from review under the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15061(b)(3) and Section 15262 (Feasibility and Planning Studies).

Executive Summary

The Valley Transportation Authority (VTA) has awarded grant funding to the City of Palo Alto for preparation of a Coordinated Area Plan for the northern part of the Ventura neighborhood. This area includes a parcel owned by the Sobrato Organization which is commonly referred to as “the Fry’s Site,” and the Sobrato Organization has agreed to provide matching funds to meet the grant requirements, as well as funding for environmental review. The requested actions this evening include adoption of a resolution indicating the City’s intention to pursue the planning effort with the grant funding, and execution of an agreement with the Sobrato Organization for their portion of the funding. Staff is also requesting that the City Council formally initiate the planning effort in accordance with the Palo Alto Municipal Code.

The Sobrato site and the surrounding parcels included in the suggested planning area represent a significant opportunity to plan for a walkable, mixed use neighborhood with multifamily housing, commercial services, well-defined connections to transit, bicycle and pedestrian facilities, urban design strategies, and design guidelines to strengthen and support the neighborhood fabric. Community engagement will be key to the success of the planning effort, as will technical and design/planning work by qualified consultants funded by the grant.

Background & Discussion

In 2008, the City designated a Priority Development Area (PDA) as part of a program established by the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) to prioritize areas for transportation funding throughout the region. The Palo Alto PDA contains approximately 95 acres and is located roughly between El Camino Real and Alma Street, and College and Lambert Avenues. (See Attachment C.)

In 2014, the City Council authorized City staff to submit an application to VTA for a PDA grant to prepare a coordinated area plan for the North Ventura area within the City in proximity to the California Avenue Caltrain station, the California Avenue business district, the El Camino Real corridor and the Stanford Research Park. The City Council put the grant application on hold and delayed the planning effort until the completion of the City’s Comprehensive Plan Update, in part at the request of the Sobrato Organization, a property owner within the North Ventura area, with the Sobrato Organization’s commitment to provide funding to make up for the

foregone grant funds.

The Comprehensive Plan Update is now near completion and includes proposed Program L4.8.1, which calls for the preparation of a coordinated area plan for the Fry's Electronics site and surrounding California Avenue area. The Fry's Electronics site, owned by the Sobrato organization, is one of the few sizeable parcels in the City that could accommodate significant redevelopment. It is envisioned that redevelopment of the Fry's site will strengthen the North Ventura area as a walkable, human-scaled mixed-use neighborhood.

Grant Proposal and Award

In anticipation of the completion of the Comprehensive Plan Update and upcoming Fry's Electronics' lease expiration, in July 2017, City staff applied to the Valley Transportation Authority (VTA) for a PDA grant for the new North Ventura Coordinated Area Plan community planning effort. (The grant proposal is in Attachment E.) In the proposal, staff identified the project boundaries as the southern portion of the PDA (south of Page Mill Road) and the northern section of the North Ventura neighborhood. The entire area represents about 39 acres and includes the Sobrato Organization's site. (See map in Attachment C) The grant application requirements stipulated that the planning area had to be wholly within the PDA, however staff understands from VTA staff that there may be some flexibility as to these boundaries and the Council's input on any desired adjustments can be provided now or at a future meeting.

On September 7, 2017, the VTA Board of Directors voted to award the City a \$638,000 grant. The PDA grant requires a local funding match of at least 11.47% of the total project cost as a condition of grant award and acceptance, and prohibits the use of grant funds for environmental analysis. The Sobrato Organization has agreed to provide the required matching funds in the amount of \$112,000 and contribute an additional \$138,000 to pay for the environmental analysis that will be required for this project. The Funding Agreement in Attachment B would memorialize Sobrato's commitments and the City's obligations to expend the funds for the planning and environmental review process. Under both the grant resolution and funding agreement, the City would be committing to completing the planning process for the North Ventura CAP, though the Council's ultimate determination on plan adoption would be at its discretion. A summary the money available is provided below:

Table 1: Grant Summary

Grant Award	\$638,000
Matching Funds	\$112,000 - private funds from the Sobrato Organization
Total Project Cost (Grant Funded Project)	\$750,000
Environmental Assessment*	\$138,000 – private funds from the Sobrato Organization
Total Project Cost *	\$888,000

(with Environmental Assessment)	
*The grant funded project does not include environmental review.	

Source: Planning & Community Environment, October 2017

The VTA has requested that the City provide a resolution of local support for the proposed project confirming the City's commitment to proceed, provide local matching funds and complete the project (Attachment A). The resolution is required by VTA and MTC for eligibility to accept federal funds and for commencement of a funding agreement process. Because the funding is assigned to MTC, the resolution references MTC; however, the funding will be provided by the California Department of Transportation (Caltrans) and VTA and MTC will play a minor role, receiving quarterly updates and monitoring project delivery. The grant agreement with Caltrans and/or another resolution accepting the grant will appear on the Council's agenda at a later date, along with necessary actions to reflect the grant (and matching) funds and expenses in the City's budget.

Coordinated Area Plan Process

The process for implementing a coordinated area plan is set forth in Palo Alto Municipal Code (PAMC) Title 19, Chapter 19.10. (Attachment D) This section details the purpose of a coordinated area plan, the initiation process, procedures to create the plan, required contents, and regulatory procedures once adopted.

Coordinated Area Plans are similar to "precise plans" or "specific plans" (terminology used in other jurisdictions and State law) and provide both policy and regulations for development within a specific area. The South of Forest Area (I and II) is the City's only existing Coordinated Plan Area.

Consistent with PAMC requirements, the final deliverables expected as part of the Coordinated Area Plan process include the following components:

- Planning Objectives and Site Context
- Goals and Policies
- Site Plan and Land Uses
- Development Standards and Criteria
- Architectural and Site Design Objectives & Standards
- Transportation Connections and Improvements
- Capital Improvements and Implementation Measures

A financial feasibility analysis of site alternatives will be an important part of the planning process, as will a transportation study, urban design studies, and community engagement.

Where the plan considers the potential future configuration and development of privately-owned sites like the Fry's Electronics site, the value inherent in existing development and existing zoning will be a key issue for the property owners. It's also important to note that under a new State law, the Sobrato Organization could potentially redevelop the Fry's site "by right" with over 350 dwelling units if they proposed a 100% code compliant project that met conditions in the law. This emphasizes the need to view the planning process as a collaboration to seek mutually beneficial outcomes for multiple stakeholders (e.g. property owners, neighborhood residents, businesses) and the City.

Community Engagement

Community engagement will be of primary importance for the success of the planning process. Consistent with PAMC Section 19.10.030, a working group comprised of residents, business owners, property owners, and community representatives will need to be appointed by the Council and will meet regularly to consider existing conditions, analyses, and policy development. The working group will include seven (7) to fourteen (14) individuals, and will be advisory to staff, the Planning and Transportation Commission (PTC) and Council. Following initiation of the Coordinated Area Plan process, staff will solicit applications from interested stakeholders and return to Council for appointment of the working group members.

Goals and Objectives

Establishing goals and objectives is another essential part of developing a Coordinated Area Plan and the City Council will have an opportunity to identify their goals, objectives, and a schedule for the Coordinated Area Plan when staff returns with the grant agreement in a couple of months. Ultimately, the Coordinated Area Plan will be a comprehensive document that identifies the distribution, location and extent of land uses, planning policies, development regulations and design guidelines to enable development and needed infrastructure investments in the project area. A detailed description of the proposed North Ventura CAP can be found in the grant application (Attachment E). Attachment F includes the VTA Board staff report and minutes confirming the awarding of the grant for this project.

Project Boundaries

As described in the grant application, the project boundaries are proposed to extend beyond the Sobrato Organization's site to capture a portion of the surrounding neighborhood. This includes smaller opportunity sites for redevelopment, recent projects that support the project objectives and provide context in the greater planning area, and sites that provide key connections to transit and activity centers (namely, California Avenue and El Camino Real). See the map in Attachment C.

The project boundaries are in the southern portion of the PDA. Although not all sites (or even a majority of the sites) within these boundaries are expected to redevelop, this area includes opportunities for potential land use changes and is important to understand the context of the

Fry's Electronics site. Additionally, the plan will identify transportation improvements and connections to the greater surrounding area: El Camino Real to the southwest, Lambert Avenue to the southeast, Park Boulevard to the northeast, and Page Mill Road/Olive Avenue to the northwest. As mentioned earlier, Council's input on any desired boundary adjustments can be provided now or at a future meeting.

Consultant Selection

Following Council's initiation of the Coordinated Area Plan process tonight and approval of a grant agreement or resolution meeting requirements of the funding agency at a future meeting, staff will issue a request for proposals (RFP) for consultant services necessary to prepare the Coordinated Area Plan and accompanying studies/guidelines, and to assist with community engagement. Consultant expertise in the following areas will be required: urban design, community outreach and facilitation, economic/fiscal analysis, transportation planning and analysis, and environmental analysis.

Policy Implications

During the Comprehensive Plan Update process, the Council, the PTC, and the public indicated their interest in preparation of more Coordinated Area Plans like SOFA I and II. The Sobrato Organization's site in particular was mentioned because it remains one of the few sizeable pieces of land in the City for redevelopment and has the potential for significant residential development under the existing Housing Element and zoning. The updated Comprehensive Plan is anticipated to include a program specifically directing the creation of a Coordinated Area Plan for this area (Program L4.8.1).

The City's updated Housing Element, adopted in late 2014 and certified by the State in January 2015, identified the Sobrato Organization's property as a location for multi-family housing consistent with its current Multiple Family (RM-30) zoning and is one of the largest housing opportunity sites. The site is identified with a realistic capacity of 221 dwelling units and could accommodate 249 dwelling units even if it's developed a density of 20 dwelling units/acre (rather than the maximum of 30 dwelling units/acre allowed in the RM-30 zoning district). The Coordinated Area Plan will have to be consistent with the City's Comprehensive Plan, including its Housing Element.

The Sobrato Organization's property currently contains approximately 220,000 square feet of retail and office area. The Palo Alto Municipal Code includes a provision that specifically allows for the retention of the existing nonconforming uses at the Sobrato Organization's property, which will be an important consideration in the planning process.

The Coordinated Area Plan will also have to consider other relevant plans, such as the Parks, Trails, and Open Space Master Plan, and the Bicycle & Pedestrian Implementation Plan. The

later plan identifies policies and programs that support improving sidewalks and bicycle paths in the area and design enhancements to improve mobility.

Resource Impact

The City has applied for a grant in the amount of \$638,000 for the North Ventura CAP. In compliance with a grant requirement, the 11.47% local funding match requirement will be achieved with a pledge of \$112,000 in private funds from the Sobrato Organization. No City funds have been pledged. The Sobrato Organization has also agreed to provide an additional \$138,000 to fund the environmental review process. Staff will request a budget amendment when the staff returns to Council for approval of the PDA grant agreement. If the cost of the planning effort and environmental review exceeds the budgeted amount, the City will need to identify other resources to complete the project.

Timeline

Following the Council's initiation of the Coordinated Area Plan process, staff will work directly with MTC and Caltrans to complete the disbursement process. Some the key initial milestones are summarized below:

<i>Milestone</i>	<i>Tentative Timeframe*</i>
Plan Initiation, Resolution confirming grant support, and agreement with Sobrato Organization for matching funds	November 6, 2017
Return to Council with formal grant agreement and budget adjustments	
Council consideration of NVCAP Project Boundaries, Goals & Objectives, Project Schedule	January/February 2018
Solicit Applications for the Working Group	
RFP for Consultant Services	February 2018
Council Appointment of Working Group Members	March 2018
Consultant Selection/Contract Award	April 2018
Project Kickoff	May 2018
Plan Adoption (18 Months Following Project Kickoff)	December 2019
<i>*All milestones and dates subject to modification.</i>	

Source: Planning & Community Environment, October 2017

Environmental Review

The actions recommended in this report are exempt from review under the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Sections 15061(b)(3) and Section 15262 (Feasibility and Planning Studies). The actions would initiate a planning process and are not determinative of any specific outcome. The Coordinated Area Plan that will result from this effort will be subject to CEQA prior to adoption and may also require review

under the National Environmental Policy Act (NEPA) because of the (federal) source of grant funding. While the environmental review may be able to “tier” off of the certified Comprehensive Plan Environmental Impact Report (EIR) to some extent, it’s anticipated that significant additional site- and neighborhood-specific analysis will be required.

Attachments:

Attachment A: Resolution Local Support for Grant Application to MTC VTA (PDF)

Attachment B: Funding Agreement (PDF)

Attachment C: North Ventura Coordinated Area Plan Boundary Map (PDF)

Attachment D: PAMC Chapter 19.10 Coordinated Area Plan Process (PDF)

Attachment E: Palo Alto PDA Grant Application 2017 (PDF)

Attachment F: VTA Board 09/07/2017 Excerpt Minutes and Packet (PDF)

Resolution No. _____

Resolution of the Council of the City of Palo Alto Authorizing the Filing of an Application
for Funding Assigned to the Metropolitan Transportation Commission, Expressing Local
Support and Committing Any Necessary Matching Funds, and Stating Assurance to
Complete the North Ventura Coordinated Area Plan Project

R E C I T A L S

A. The City of Palo Alto (herein referred to as APPLICANT) submitted an application to the Metropolitan Transportation Commission (MTC), through the Santa Clara Valley Transportation Authority (VTA) as grant program administrator, for \$638,000 in funding assigned to MTC for programming discretion, which includes federal funding administered by the Federal Highway Administration (FHWA) and federal or state funding administered by the California Transportation Commission (CTC) (herein referred to as REGIONAL DISCRETIONARY FUNDING) for the PDA Planning Grant Program Application (herein referred to as PROJECT) for the North Ventura Coordinated Area Plan (herein referred to as PROGRAM).

B. The United States Congress from time to time enacts and amends legislation to provide funding for various transportation needs and programs, (collectively, the FEDERAL TRANSPORTATION ACT) including, but not limited to the Surface Transportation Block Grant Program (STP) (23 U.S.C. § 133), the Congestion Mitigation and Air Quality Improvement Program (CMAQ) (23 U.S.C. § 149) and the Transportation Alternatives (TA) set-aside (23 U.S.C. § 133).

C. State statutes, including California Streets and Highways Code §182.6, §182.7, and §2381(a)(1), and California Government Code §14527, provide various funding programs for the programming discretion of the Metropolitan Planning Organization (MPO) and the Regional Transportation Planning Agency (RTPA).

D. Pursuant to the FEDERAL TRANSPORTATION ACT, and any regulations promulgated thereunder, eligible project sponsors wishing to receive federal or state funds for a regionally-significant project shall submit an application first with the appropriate MPO, or RTPA, as applicable, for review and inclusion in the federal Transportation Improvement Program (TIP).

E. MTC is the MPO and RTPA for the nine counties of the San Francisco Bay region.

F. MTC has adopted a Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised) that sets out procedures governing the application and use of REGIONAL DISCRETIONARY FUNDING.

G. APPLICANT is an eligible sponsor for REGIONAL DISCRETIONARY FUNDING.

H. As part of the application for REGIONAL DISCRETIONARY FUNDING, MTC requires a resolution adopted by the responsible implementing agency stating the following:

- the commitment of any required matching funds; and

- that the sponsor understands that the REGIONAL DISCRETIONARY FUNDING is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded with additional REGIONAL DISCRETIONARY FUNDING; and
- that the PROJECT will comply with the procedures, delivery milestones and funding deadlines specified in the Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised); and
- the assurance of the sponsor to complete the PROJECT as described in the application, subject to environmental clearance, and if approved, as included in MTC's federal Transportation Improvement Program (TIP); and
- that the PROJECT will have adequate staffing resources to deliver and complete the PROJECT within the schedule submitted with the project application; and
- that the PROJECT will comply with all project-specific requirements as set forth in the PROGRAM; and
- that APPLICANT has assigned, and will maintain a single point of contact for all FHWA- and CTC-funded transportation projects to coordinate within the agency and with the respective Congestion Management Agency (CMA), MTC, Caltrans, FHWA, and CTC on all communications, inquires or issues that may arise during the federal programming and delivery process for all FHWA- and CTC-funded transportation and transit projects implemented by APPLICANT.

I. APPLICANT is authorized to submit an application for REGIONAL DISCRETIONARY FUNDING for the PROJECT.

J. There is no legal impediment to APPLICANT making applications for the funds.

K. There is no pending or threatened litigation that might in any way adversely affect the proposed PROJECT, or the ability of APPLICANT to deliver such PROJECT.

L. APPLICANT authorizes its City Manager or designee to execute and file an application with MTC for REGIONAL DISCRETIONARY FUNDING for the PROJECT as referenced in this resolution.

M. MTC requires that a copy of this resolution be transmitted to the MTC in conjunction with the filing of the application.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Palo Alto as follows:

SECTION 1: APPLICANT is authorized to execute and file an application for funding for the PROJECT for REGIONAL DISCRETIONARY FUNDING under the FEDERAL TRANSPORTATION ACT or continued funding.

SECTION 2: APPLICANT will provide any required matching funds.

SECTION 3: APPLICANT understands that the REGIONAL DISCRETIONARY FUNDING for the project is fixed at the MTC approved programmed amount, and that any cost increases must be funded by the APPLICANT from other funds, and that APPLICANT does not expect any cost increases to be funded with additional REGIONAL DISCRETIONARY FUNDING.

SECTION 4: APPLICANT understands the funding deadlines associated with these funds and will comply with the provisions and requirements of the Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised) and APPLICANT has, and will retain the expertise, knowledge and resources necessary to deliver federally-funded transportation and transit projects, and has assigned, and will maintain a single point of contact for all FHWA- and CTC-funded transportation projects to coordinate within the agency and with the respective Congestion Management Agency (CMA), MTC, Caltrans, FHWA, and CTC on all communications, inquires or issues that may arise during the federal programming and delivery process for all FHWA- and CTC-funded transportation and transit projects implemented by APPLICANT.

SECTION 5: The PROJECT will be implemented as described in the complete application and in this resolution, subject to environmental clearance, and, if approved, for the amount approved by MTC and programmed in the federal TIP.

SECTION 6: APPLICANT has reviewed the PROJECT and has adequate staffing resources to deliver and complete the PROJECT within the schedule submitted with the project application.

SECTION 7: The PROJECT will comply with the requirements as set forth in MTC programming guidelines and project selection procedures for the PROGRAM.

SECTION 8: APPLICANT is an eligible sponsor of REGIONAL DISCRETIONARY FUNDING funded projects.

SECTION 9: APPLICANT is authorized to submit an application for REGIONAL DISCRETIONARY FUNDING for the PROJECT.

SECTION 10: There is no legal impediment to APPLICANT making applications for the funds.

SECTION 11: There is no pending or threatened litigation that might in any way adversely affect the proposed PROJECT, or the ability of APPLICANT to deliver such PROJECT.

SECTION 12: APPLICANT authorizes its City Manager or designee to execute and file an application with MTC for REGIONAL DISCRETIONARY FUNDING for the PROJECT as referenced in this resolution.

SECTION 13: A copy of this resolution will be transmitted to the MTC upon adoption.

SECTION 14: The MTC is requested to support the application for the PROJECT described in the resolution, and if approved, to include the PROJECT in MTC's federal TIP upon submittal by the project sponsor for TIP programming.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Assistant City Attorney

City Manager or Designee

Director of Administrative Services

Director of Planning and Community
Environment

**FUNDING AGREEMENT BETWEEN
THE CITY OF PALO ALTO AND THE SOBRATO ORGANIZATION, LLC
RELATED TO THE
NORTH VENTURA COORDINATED AREA PLAN PROJECT**

This Funding Agreement (the "Agreement") is entered into as of _____, 2017 (the "Effective Date"), by and between the CITY OF PALO ALTO, a California chartered municipal Corporation (the "City"), and THE SOBRATO ORGANIZATION, LLC, a California limited liability company ("Sobrato"). Hereinafter, City and Sobrato may be individually referred to as "Party" and, collectively referred to as the "Parties".

RECITALS:

A. In 2014, the City Council authorized City staff to submit an application for a Priority Development Area ("PDA") grant to Santa Clara County Valley Transportation Authority ("VTA") to prepare a coordinated area plan for the North Ventura area within the City in proximity to the California Avenue Caltrain station, the California Avenue business district, the El Camino Real corridor and the Stanford Research Park. The City Council put that grant application on hold and delayed the planning effort until the completion of the City's Comprehensive Plan Update, in part at the request of Sobrato, a property owner within the North Ventura area, with Sobrato's commitment to provide funding to make up for the foregone grant funds.

B. Sobrato is the owner of the 15-acre site located at 340 Portage Avenue in the North Ventura area, a portion of which is currently occupied by Fry's Electronics. Fry's Electronics' lease is expected to end in late 2019.

C. Both City and Sobrato now desire the City to reinstitute the coordinated area planning process for the North Ventura area as a whole, including the Sobrato owned site, in order to plan for future land use redevelopment and improved transportation connections.

D. In July 2017, City staff submitted a new PDA grant application to VTA for funding to prepare a North Ventura Coordinated Area Plan ("CAP"). On September 7, 2017, the VTA Board of Directors voted to award the City a \$638,000 grant for the North Ventura CAP (sometimes referred to herein as the "Project").

E. The PDA Grant requires a local funding match of 11.47% of the total project cost as a condition of grant award and acceptance, which local match will be met through the pledge of \$112,000 in private funds from Sobrato. Sobrato has also agreed and desires to contribute to City an additional \$138,000 for environmental review of the North Ventura CAP under the California Environmental Quality Act ("CEQA") and/or the National Environmental Policy Act ("NEPA").

NOW, THEREFORE, in consideration of Recitals A through E, inclusive, which are made a substantive part of this Agreement, and the following covenants, terms, conditions, the Parties agree:

AGREEMENT:

1. **Purpose.** The purpose of this Agreement is to set forth the Parties' obligations relative to Sobrato's provision of matching funds for the North Ventura CAP planning process, as required by the terms of the PDA Grant to the City, and additional funds to facilitate the preparation of the required environmental review document for the Project.

2. **Financial Contribution for Project.** Sobrato shall contribute and pay to the City the amount of One Hundred Twelve Thousand Dollars (\$112,000) toward the cost of preparing the North Ventura CAP including but not limited to conducting planning, studies, outreach, and consultant costs (referred to herein as the "Local Match Contribution"). In addition, Sobrato shall contribute and pay to the City the amount of One Hundred Thousand Thirty-Eight Thousand Dollars (\$138,000) to defray the cost of conducting the required environmental review under CEQA and/or NEPA for the North Ventura CAP, including but not limited to preparing an initial study, engaging consultants, conducting studies and reports, preparing the CEQA document (i.e., EIR), and preparing the NEPA document (referred to herein as the "Environmental Review Funding Contribution").

Sobrato shall make payment in full of both the Local Match Contribution and the Environmental Review Funding Contribution within thirty (30) days of full execution of the Agreement.

3. **Conduct of Project.** City shall be responsible for conducting and completing the Project. City shall prepare the North Ventura CAP and environmental review document(s) under CEQA and/or NEPA, contingent on receiving the funding anticipated from both Sobrato and the PDA Grant. City, however, guarantees no particular result with respect to the City Council's decision on whether to adopt, deny or modify a proposed North Ventura CAP, or the Council's decision relative to the environmental review, all of which are in the City Council's discretion.

4. **Grant Funding Contingency.** If the PDA Grant, for any reason, is no longer available to City by action of the VTA, MTC, Caltrans or other administering agency, City shall be under no further obligation to complete the North Ventura CAP or CEQA or NEPA review. If the grant funds are withdrawn, the Parties will meet and confer to determine if other funding sources may be available to complete the Project. If City in its sole discretion determines to move forward with the Project, City shall retain the funds contributed by Sobrato under this Agreement and expend them for the purposes described herein. If City determines there is insufficient funding to complete

the Project, City shall return any unexpended Sobrato funds to Sobrato, but shall not be obligated to return or refund any funds already expended for the Project.

5. **Term.** This Agreement shall become effective upon full execution of the Agreement and shall remain in effect through October 30, 2019, inclusive.

6. **Default; Remedies for Default.** In addition to any other rights or remedies, a party may institute legal proceedings for mandamus, specific performance, or other injunctive or declaratory relief to enforce this Agreement. In no event shall City be liable for damages or for payment of any restitution for any breach or violation of this Agreement.

7. **Notices.** All notices, requests and approvals by a Party will be given, in writing, and delivered by personal service, the United States Postal Service, express delivery service, or facsimile transmission, as follows:

TO CITY: City of Palo Alto
Department of Planning & Community Environment
ATTN: Elena Lee, Interim Principal Planner
250 Hamilton Avenue
Palo Alto, CA 94301
E-Mail: Elena.Lee@CityofPaloAlto.org

SOBRATO: The Sobrato Organization
ATTN: Tim Steele
10600 North De Anza Boulevard, Suite 200
Cupertino, CA 95014-2075
E-mail: tsteele@sobrato.com

8. **Entire Agreement.** This Agreement represents the entire agreement between the Parties in regard to the subject matter and supersedes all prior negotiations, representations and contracts, written or oral.

9. **Amendments.** This Agreement may be amended by an instrument, in writing, signed by the Parties.

10. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one and the same instrument.

11. **Warranty of Authority to Execute Agreement.** Each Party to this Agreement represents and warrants that each person whose signature appears hereon has been duly authorized and has the full authority to execute this Agreement on behalf of the entity that is a Party to this Agreement.

12. **Applicable Law; Venue.** This Agreement will be governed by and construed in accordance with the laws of the State of California and the Charter of the City of Palo Alto and the Palo Alto Municipal Code. In the event that an action is brought, the parties agree that trial of such action will be vested exclusively in the state courts of California in the County of Santa Clara, State of California.

13. The Parties agree that the normal rule of construction to the effect that any ambiguity is to be resolved against the drafting party will not be employed in the interpretation of this Agreement or any amendment or Exhibit hereto.

14. This Agreement is subject to the fiscal provisions of the Charter of the City of Palo Alto and the Palo Alto Municipal Code. This provision will take precedence in the event of a conflict with any other covenant, term or condition of this Agreement.

IN WITNESS WHEREOF, the Parties by their duly authorized representatives have executed this Agreement as of the Effective Date.

CITY OF PALO ALTO

James Keene
City Manager

APPROVED:

Director of Planning and Community
Environment

APPROVED AS TO FORM:

Assistant City Attorney

THE SOBRATO ORGANIZATION

Print Name:

Title: SUP VP DEAI STATE

Print Name:

Title: 10/23/17

Palo Alto Municipal Code

Chapter 19.10

COORDINATED AREA PLANS

Sections:

- 19.10.010 Purposes.
- 19.10.020 Initiation.
- 19.10.030 Procedures.
- 19.10.040 Contents of coordinated area plans.
- 19.10.050 Coordinated development permit required.
- 19.10.060 Development must be consistent with coordinated area plan.

19.10.010 Purposes.

This chapter establishes procedures for preparation of coordinated area plans. This chapter is intended to achieve, and shall be implemented to accomplish, the following purposes:

- (a) To create enhanced opportunities for building a sense of community through public involvement in planning processes which are designed not only to satisfy constitutional due process requirements, but also to provide residents, and business and property owners with early, meaningful opportunities to help shape the physical components of their neighborhoods and community.
- (b) To emphasize and enhance architectural qualities, public improvements, and site design by providing a graphic, visual linkage between policies and programs established in the Comprehensive Plan and specific development entitlements and public improvements.
- (c) To facilitate physical change by each of the following methods:
 - (1) Accelerating and coordinating the planning process within selected areas so that private development and re-use can proceed under streamlined city review processes.
 - (2) Encouraging rational private investment by providing specific, dependable information about the design requirements, development standards, and uses allowed on a particular site.
 - (3) Analyzing and considering the economic environment so that the planning process works in conjunction with the marketplace, rather than independent of it.
 - (4) Coordinating and timing public infrastructure investment to facilitate desirable private land uses.

(d) To assure Palo Alto's environmental quality by using the Comprehensive Plan Environmental Impact Report to focus environmental review on area and site-specific issues and changed circumstances.

(e) To facilitate orderly and consistent implementation of the city's Comprehensive Plan and development regulations.

(Ord. 4454 § 2 (part), 1997)

19.10.020 Initiation.

Coordinated area plans shall be initiated as set forth in this section.

(a) Initiation. Coordinated area plans shall be initiated by motion of the city council, upon its own initiative or upon request of the planning commission. Planning commission or council action may be based upon the request of any person or the director of planning and community environment. The council will consider support or opposition from residents, and property and business owners, but such support or opposition shall not compel or preclude council action. The council will further consider whether the area has been identified in the comprehensive plan for coordinated area planning.

(b) Minimum Area Size. Coordinated area plans may be prepared for any area that includes more than one parcel.

(c) The city may from time to time establish application forms, submittal requirements, fees, and such other requirements, administrative guidelines and regulations as will aid in the efficient preparation and implementation of coordinated area plans.

(Ord. 4454 § 2 (part), 1997)

19.10.030 Procedures.

Coordinated area plans shall be prepared in accordance with the procedures set forth in this section.

(a) Council Goals and Policies. Council will establish goals, objectives, and a schedule for each coordinated area plan at the time the plan is initiated or shortly thereafter. The goals and objectives will be supplemental to existing Comprehensive Plan policies and programs. Council may establish goals, objectives, and a schedule during preliminary review pursuant to Chapter 18.97.

(b) Community Involvement. Each coordinated area plan will be prepared pursuant to a program for city-facilitated interaction between residents, business and property owners, and other interested persons. The program shall contain, at a minimum, the following elements:

(1) Working Group Formation. The city council shall appoint a seven-to-fourteen-member working group comprising residents, business and property owners, and persons representing broader community interests including, but not limited to, environmental, community design, and business perspectives. The working group shall be advisory to the staff, planning

commission, and city council. The working group shall be assisted by a city-designated facilitator who may be a consultant.

(2) Working Group Tasks. The working group shall assist staff in preparing a draft coordinated area plan that contains each of the components set forth in Section 19.10.040. The working group shall, at a minimum, accomplish each of the following tasks to facilitate preparation of the coordinated area plan:

(A) Initial Public Meeting. The working group shall conduct an initial public meeting to accomplish the following:

- (1) Establish the general parameters of the plan;
- (2) Conduct environmental scoping;
- (3) Identify any known public infra-structure needs and plans;
- (4) Explain any known private development proposals;
- (5) Introduce staff and consultants to the public;
- (6) Identify additional important participants;
- (7) Identify any other relevant constraints and opportunities.

(B) Regular Public Meetings. The working group shall conduct regular meetings. The working group may also form subcommittees to meet from time to time to address particular issues or components of the coordinated area plan. All working group or subcommittee meetings shall be open to the public, with notice provided to property owners and other persons who have expressed an interest in the matter to the city. At least one regular meeting during the first half of the scheduled working group tasks will be conducted as a joint meeting with the city council. The city council may direct additional or revised goals and objectives during or following such meeting(s).

(C) Community Update Forum. The working group will schedule and notice at least one community update forum designed to keep the larger community informed of progress on the plan, and to seek the ideas and advice of the larger community regarding the content of the coordinated area plan.

(c) Schedule. Coordinated area plans, including review and action by the planning commission and city council, will generally be completed within twelve to fifteen months of the initial public meeting of the working group.

(d) Public Hearings. The coordinated area plan shall be considered at public hearings before the planning commission and city council prior to adoption. Notice of the public hearings, initial meeting and community update forum(s) shall be given in the same manner required by law for amendments to the Comprehensive Plan and Zoning Ordinance.

(e) Planning Commission and Other Board and Commission Advice and Recommendation. The planning commission shall make a recommendation to the city council upon each coordinated area plan. The director of planning and community environment may seek advice of any other city board or commission if such advice is deemed desirable.

(f) Adoption. coordinated area plans shall be adopted by ordinance upon a determination of the city council that the public interest, health, safety and general welfare will be served by the plan, and that the plan is consistent with the Comprehensive Plan. The city council shall also consider the manner in which the proposed coordinated area plan will integrate with and be implemented by the capital improvement program. The city council may approve, reject or modify all or part of the coordinated area plan.

(g) Amendments. An ordinance adopting a coordinated area plan may establish procedures for amendments of the plan, including but not limited to procedures authorizing minor amendments by the director of planning and community environment.

(h) Fees. As part of the ordinance adopting a coordinated area plan, the city council may impose a coordinated area plan fee upon persons seeking governmental approvals which are required to be consistent with the coordinated area plan. The fees shall be established so that, in the aggregate, they fully recover but as estimated do not exceed, the cost of preparation, adoption, and administration of the coordinated area plan, including costs incurred pursuant to the California Environmental Quality Act. The fee charged will be reasonably prorated to take into account the applicant's relative benefit derived from the plan.

It is the intent of the city council to charge persons who benefit from coordinated area plans for the costs of developing those plans which result in savings to them by reducing the cost of documenting environmental consequences and advocating changed land uses which may be authorized.

The city council may require a person who requests adoption, amendment, or repeal of a coordinated area plan to deposit with the city an amount equal to the estimated cost of preparing the plan, amendment, or repeal prior to its preparation.

(Ord. 4454 § 2 (part), 1997)

19.10.040 Contents of coordinated area plans.

Each coordinated area plan shall contain at least the following components.

(a) The distribution, location, and extent of land uses, including, but not limited to, industrial, office, commercial, residential, public facilities and open space, within the area covered by the plan. The land uses established by the plan may be supplemental to or different from the uses permitted and specified in the city's zoning districts. For retail commercial and professional office designations, the coordinated area plan shall also include the preferred and allowable uses, their respective orientation, articulation, and floor area ratio. For housing designations, the coordinated area plan shall also include density, floor area ratio, orientation, setbacks, and graphical design prototypes.

(b) The proposed distribution, location, and extent and intensity of major components of public and private transportation, sewage, water, drainage, solid waste disposal, energy, and other public improvements proposed to be located within the area covered by the plan and needed to support the land uses described in the plan.

(c) A program of implementation measures including development regulations, public works projects, and financing measures necessary to carry out the plan. This program shall be

specifically coordinated with the city's capital improvement program ("CIP"), and may include CIP revisions necessary to implement the plan.

(d) Standards and criteria by which development will proceed, if needed.

(e) Specific architectural and site design objectives and requirements, including but not limited to the scale of streets, building orientation, placement and design of public and private parks or plazas, courtyards, arcades, porches, walls, fences, trellises, sidewalk treatments, and parking configuration. Design guidelines that are specific to the conditions of the area shall be included to address each land use type, streets, parks, and any public facilities. Specific objectives and requirements may be adopted in addition to, or in lieu of, existing zoning and design requirements. The coordinated area plan shall include preliminary elevations and information regarding facades, roofs and building materials.

(f) A determination of the economic and fiscal feasibility of the plan with specific analysis of market place factors and incentives and disincentives to the desired development product, as well as a cost-benefit analysis of public infra-structure investments and projected economic benefits to the city and community.

(g) Environmental review, provided that to the maximum extent feasible the Comprehensive Plan Environmental Impact Report shall be used as a master or tiered EIR in order to streamline and focus environmental review of the coordinated area plan.

(Ord. 4454 § 2 (part), 1997)

19.10.050 Coordinated development permit required.

A coordinated development permit shall be required before any building or structure is erected, constructed, enlarged, altered on the exterior, placed or installed on any site located within an area subject to an approved coordinated area plan.

(Ord. 4454 § 2 (part), 1997)

19.10.060 Development must be consistent with coordinated area plan.

No coordinated development permit shall be issued, nor shall any building or structure be erected, constructed, enlarged, altered on the exterior, placed, installed or moved within an area subject to an approved coordinated area plan except upon a finding that the resulting building or structure is consistent with the coordinated area plan.

(Ord. 4454 § 2 (part), 1997)

ATTACHMENT B
PDA PLANNING GRANT PROGRAM APPLICATION

Applications due July 6, 2017

Submit to: Celeste.Fiore@VTA.org

<i>General Background Information</i>	
Project Title	North Ventura Coordinated Area Plan
Brief Project Description	<p>The North Ventura Coordinated Area Plan project would develop a comprehensive planning document similar to a specific plan for a mixed-use neighborhood in proximity to the California Avenue Caltrain station, the California Avenue business district, the El Camino Real corridor, and the Stanford Research Park. The planning process and the plan's contents would be governed by Palo Alto Municipal Code Section 19.10 and would seek to build a sense of community through public involvement, providing residents, businesses and property owners with a meaningful opportunity to shape the land uses, transportation connections, infrastructure needs, and other physical attributes of the planning area.</p> <p>The boundaries of the planning area comprise the southernmost portion of the California Avenue Area Planned Development Area (PDA) and the northernmost section of the City's Ventura Neighborhood. (See map provided.) A key component of this planning area is the 12.5 acre site owned by the Sobrato Organization and commonly referred to as the Fry's site due to the long-time presence of Fry's Electronics. The site includes approximately 250,000 square feet of office/R&D, retail, and warehouse and is zoned for multifamily housing. Alternatives considered could include repurposing existing buildings as well as complete redevelopment of the site with new construction.</p> <p>The purpose of the North Ventura Coordinated Area Plan is to identify opportunities for transit-oriented housing and employment in a well-planned and designed mixed use area of residential and commercial uses. Open space will also respond to the planning area's transit oriented character by incorporating pedestrian and bicycle connections to nearby transit services.</p> <p>The plan will identify allowable uses and development standards, including the density, floor area ratio, orientation, and setbacks. Specific architectural and site design objectives and requirements will be identified, including the scale of streets, building orientation, placement and design of public and private parks or plazas, courtyards, arcades, porches, walls, fences, trellises, sidewalk treatments, and parking configuration. Design guidelines will be developed to address each land use type, streets, parks, and any public facilities.</p>

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	<p>By furthering the goals and policies of the City's updated general plan (an update to the Palo Alto Comprehensive Plan is expected to be adopted this fall) and providing detailed development standards to replace existing zoning, the Plan is intended to facilitate and incentivize orderly development in the area. The plan will consider existing site specific conditions, the economic environment, as well as public infrastructure needs. A determination of the economic feasibility of the plan will be key, with a specific analysis of market place factors and incentives and disincentives to the desired development products, including market demand, costs of development, and other economic factors impacting overall financial feasibility. A cost-benefit analysis will assess public infrastructure investments and overall benefits to the city and community. The plan will encourage the architectural qualities, public improvements and site design that is desired while providing for a streamlined permitting process and certainty regarding resulting community benefits.</p>
Planning Activity (Check One Box)	<div>Advanced Planning <input checked="checked" type="checkbox"/></div> <div>Preliminary Planning <input type="checkbox"/></div> <div>Policy Planning <input type="checkbox"/></div>
Project Sponsor	City of Palo Alto
Project Contact	Name: Elena Lee Title: Senior Planner Agency: City of Palo Alto Phone Number: 650-617-3196 Email Address: Elena.Lee@cityofpaloalto.org
Other Project Partners	Tim Steele The Sobrato Organization Email Address: tsteele@sobrato.com

<i>Project Location</i>	
Project Location/Target Population	<p>If applicable, please attach project area maps:</p> <p>Map #1: Location within agency jurisdiction Map #2: Project Area detail map</p> <p>Is the project in a Community of Concern or CARE Community? See Attachments D and E. ___ Yes <u>X</u> No</p>

ATTACHMENT B
PDA PLANNING GRANT PROGRAM APPLICATION

	<p>Does the project target low-income populations?</p> <p><u> X </u> Yes*</p> <p><u> </u> No</p> <p>*Via Below Moderate Residential (BMR) units constructed within the project area</p>
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Project Budget <i>(Maximum Fund Request is \$1,000,000; Minimum \$250,000)</i>	
Total Project Cost	\$750,000
Grant Request (88.53% maximum)	\$638,000
Matching Funds (amount & source)	<p>\$112,000 - private funds from the Sobrato Organization.</p> <p>(The Sobrato Organization has also agreed to provide an additional \$138,000 for CEQA review, which would be undertaken simultaneously with and separate from preparation of the coordinated area plan.)</p>
Estimated Project Timeline and Draft Non-Infrastructure Project Work Plan Project Work Plan	<p>Grant Application due July 6, 2017</p> <p>Submit E-76 Request to Caltrans (Projects > \$500,000): November 1, 2017 Execute Funding Agreement with VTA (Projects < \$500,000): Obligation/Authorization – January 31, 2018 Begin Reimbursable Work: February 2018 Project Completion: October 2019 City Council Approval: October 2019 Grant Close-out: January/February 2020</p> <p>Interim Project Milestones:</p> <p>Milestone #1: City Council initiation of the project, including approval of a scope of work (December 2017), confirmation of plan boundaries, and adoption of plan goals and a schedule together with appointment of a Community Working Group (January/February 2018)</p> <p>Milestone #2: Existing conditions and issues/opportunities report, including known development in the area; Neighborhood Community Meeting #1 (Summer 2018)</p> <p>Milestone #3: Land use alternatives & project definition; joint session with the Community Working Group and the City Council (Fall 2018).</p>

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PDA PLANNING GRANT PROGRAM APPLICATION

	<p>Milestone #4: Transportation impacts analysis and financial feasibility report; Neighborhood Community Meeting #2 (Spring 2019).</p> <p>Milestone #5: Draft plan; hearings of the Architectural Review Board, Planning & Transportation Commission, and City Council (Summer 2019)</p> <p>Milestone #6: Final plan; recommendation from the Community Working Group and the Planning & Transportation Commission; hearing by the City Council (Fall 2019)</p> <p>Project Completion: October, 2019 (Note: the Community Working Group would meet regularly during the planning process; CEQA review would be conducted concurrently to allow for plan adoption in the Fall of 2019.)</p> <p>Attach draft version of Exhibit 3-R Non-infrastructure Project Work Plan (application incomplete without draft Exhibit 3-R)</p>
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<p>1. Describe how the project or its implementation will help achieve One Bay Area Grant program goals and objectives and facilitate PDA implementation in the following categories:</p> <ul style="list-style-type: none"> a. Increase housing supply, including affordable housing¹ for low-income residents. b. Increase and jobs within PDAs. c. Increase land use intensities in PDAs. d. Boost transit ridership within PDAs. e. Increase walking, bicycling, carpooling and/or car-sharing within PDAs. f. Manage parking and driving. g. Promote multimodal connections within the PDAs. h. Locate key services and retail businesses within PDAs. <p>Please highlight plan benefits, including (but not limited to):</p> <ul style="list-style-type: none"> • enhanced walkability and bikeability • safety and security; enhanced economic activity • protection of environmental resources • public transit access or amenities

¹ Affordable housing, for the purposes of this application is defined by the limits set by HUD for Santa Clara County, found at <https://www.huduser.gov/portal/datasets/il/il2017/2017summary.odn>

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PDA PLANNING GRANT PROGRAM APPLICATION

- **parking design, streetscape design**
- **gap closure of an essential pedestrian/ bicycle route or network**
- **access to services that meet daily needs**

The intent of the North Ventura Coordinated Area Plan (CAP) is to develop a comprehensive document that will identify the distribution, location and extent of land uses, planning policies, development regulations and design guidelines to enable private development and needed infrastructure investments in the project area. The project area includes one of the City's largest housing opportunity sites, and the CAP will encourage multifamily housing throughout the area, including affordable housing for low income residents, while allowing for a mix of non-residential uses, and enhancing connectivity and circulation for pedestrians and cyclists seeking to access nearby transit services (the California Avenue Caltrain station and VTA bus service on El Camino Real). The enhanced connectivity will be one part of a comprehensive plan for area streetscapes and open spaces, providing connections to the California Avenue Business District and to Park Boulevard, identified as a bicycle boulevard in the City's Bicycle + Pedestrian Transportation Plan and an important pathway to other parts of the City. Park Boulevard also serves an important pedestrian path for area residents and employees to the California Avenue Business District, one of the City's important commercial centers. This project offers an opportunity to improve not just connectivity, but the quality of these facilities. The Cal Ave Business District, designated in the General Plan as a multi-neighborhood center, contains both neighborhood services and a significant employment center. The CAP will also provide parking design standards for future development that are appropriate for the mix of uses proposed and the transit-accessible location of the area. An alternatives analysis will examine the financial feasibility of daylighting a small section of the creek that currently traverses the Sobrato Organization's site in a culvert.

With excellent access to transit and the availability of larger underutilized parcels of land, the larger California Avenue area has been a popular area for redevelopment since the end of the recession. This redevelopment has happened in an area that was not really anticipated for growth when the City's current general plan, the 1998 Comprehensive Plan, was adopted. As a result, there have been unanticipated demands on area infrastructure, and an increase in area population. This project offers the City a comprehensive approach to improvements, something that was not possible when development happened on a project by project approach.

The subset of the PDA proposed for focus in this coordinated area plan has remained – with a few exceptions – largely unchanged and represents an opportunity for more proactive planning. The Sobrato Organization's property, for example, could provide approximately 360 multifamily dwelling units under its current zoning (RM-30). While adjacent parcels owned by the Sobrato Organization are currently being developed for a total of 50 units of rental housing and 19,000 square feet of retail, their site within the planning area provides an opportunity to consider higher densities and a mix of uses appropriate for its proximity to transit, jobs and services.

The Coordinated Area Plan will build upon the area's existing strengths and help to focus growth in a location that can provide multi-modal opportunities for future residents, visitors and employees. The plan would also emphasize better connectivity for all modes of travel. Because it includes some large campuses, the plan will examine opportunities to update the street network, potentially connecting sections of the grid between Park Boulevard and El Camino Real, and will examine other ways to make area streets attractive and stress free for all users. The project area is located within walking distance of existing and future transit facilities of regional significance including the existing Caltrain – California Avenue Station, the existing El Camino Real transit routes, future El Camino Real Bus Rapid Transit

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Station, and local Stanford University Marguerite and VTA routes. These existing public transit systems provide direct access to significant destinations and employers inside and outside the planning area, including Stanford University Research Park, the County Courthouse, and the California Avenue Business District. In addition, the plan would help support the vision of the City's 2012 Bicycle + Pedestrian Master Plan by focusing attention on one the City's primary bicycle corridors on Park Boulevard.

- 2. Describe how the jurisdiction in which the project is located has demonstrated a commitment to provide an increase in housing, employment, and transportation choices through its' existing policies.**

These policies may include (but are not limited to) policies and regulations, such as innovative parking policies, TOD zoning, transportation demand management strategies, existing citywide affordable housing policies and approved projects, supportive general plan policies, sustainability policies, including green building policies and alternative energy policies.

A majority of the planning area, is located within the Transit-Oriented Residential land use designation (TOR) established by the City's general plan. This designation allows high density residential development in areas that are within 2,000 feet of a multi-modal transit station and reflects the City's commitment to placing higher densities (commercial and residential) in proximity to transit. Similarly, parcels located at the northern half of the project site (primarily 395 Page Mill Road) has been zoned Pedestrian Transit Oriented Development (PTOD). The PTOD designation is intended to allow higher density residential uses on commercial, industrial and multi-family parcels within a walkable distance of the Caltrain station. The City's current Transportation Element (Goal T-3 - Bicycling and Walking) and Land use and Design Element (Goal L-4 - Centers) of the Comprehensive Plan include policies encouraging a mix of uses and walkable neighborhoods with new streets and pedestrian connections for the project area. The policies encourage the provision and enhancement of pedestrian and bicycle access between transit stations, shopping centers and employment centers. The City's adopted Housing Element of the Comprehensive Plan policies, under Goal H2, also encourages the creation of higher density residential development near schools, transit, parks, shopping, employment and cultural institutions. The policies support development of higher density, along with a mix of uses, on parcels within walking distance of the California Avenue Caltrain Station. In the current RHNA cycle (2014 to 2022), the City has so far permitted 310 units, of which 121 are affordable, and the proposed plan would put Palo Alto on track to accelerate production of multifamily housing. The City has also adopted a Sustainability and Climate Action Plan (S/CAP) framework to guide the City towards climate and sustainability leadership. This strategic plan sets direction and overall policy goals, including reducing greenhouse gas (GHG) emissions and single occupant vehicle trips through encouraging walkable and bikeable neighborhoods and conserving energy, water, and other natural resources.

The general plan update that is currently underway (anticipated to be completed this fall) also includes policies that would encourage greater density near the City's two multi-modal transit areas, including California Avenue, as well as the use of transit and TDM measures. For example, the proposed update includes policies and programs that recognize areas near the Cal Ave and University Avenue Caltrain stations as appropriate locations for greater residential density and mix of uses. One of the proposed policies calls for a coordinated area plan for the project site that would help create a walkable neighborhood with multi-family housing, retail, a public park, creek improvements and an interconnected street grid. The update also includes policies and programs that would encourage cooperation between residents, business owners, and other agencies to implement innovative solutions and expand comprehensive programs that would reduce reliance on single-occupant vehicles and increase the use of alternatives, such as walking and public transit.

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This City's adopted Bicycle + Pedestrian Master Plan guides public and private investment in non-motorized transportation facilities and related programs, and laid a foundation for the use of Park Boulevard as an important access route by designating it as a bicycle boulevard to and through the planning area. The Rail Corridor Study approved in 2013 also covered this portion of Palo Alto and established a community vision for land use, transportation and urban design opportunities along the Caltrain corridor. The Study identifies this area as an important one for strong pedestrian and transit-oriented uses, as well as one that can accommodate future development.

The City is also proposing a new Public Safety Building, designed both for compatibility and resiliency, near the planning area at 250 Sherman Avenue, a more central location for the City. The project also includes an approximately 600 space parking garage that will serve the Cal Ave Business District. Palo Alto has also consistently demonstrated its commitment to sustainability. The City's first Climate Protection Plan was adopted in 2007. Since then the City has adopted a green building ordinance that goes above and beyond State requirements and the Sustainability and Climate Adaptation Plan Framework (S/CAP). The S/CAP is a roadmap for the City's environmental stewardship and commitment to exceed the State's requirements for greenhouse gas (GHG) emission reductions. The proposal to focus density near transit, such as this project, is a key example of the implementation of these policies and goals.

3. What are the outcomes of this plan that the jurisdiction hopes to achieve through this grant?

A) Please list and describe desired outcomes.

B) What implementation actions will this planning effort lead to? (For example, capital project lists, zoning change, implementation of parking management practice, change of City design standards, LOS standards, etc.) What is the proposed schedule for these actions?

C) How does the jurisdiction propose to measure whether housing and/or employment with the PDAs increased as a result of implementing the PDA Planning Grant funded project?

The City's desired outcomes include the following:

- preparation of a coordinated area plan that both reflects the community's vision for the area and provides property owners with certainty about the development standards and process they will use to seek approval for new development;
- high density multifamily housing, including affordable units;
- a mix of commercial uses, including retail and public services;
- financially feasible community benefits in the form of open space infrastructure improvements;
- an improved relationship between the planning area and adjacent neighborhoods, including enhanced connectivity and circulation for pedestrians, cyclists and drivers;
- context-sensitive, pedestrian-scaled development; and
- a planning process and a final work products that balance the needs of neighborhood residents, property owners, and the daytime population of the area.

The proposed plan would include implementation actions in the form of development (zoning) standards, design guidelines, and a list of capital projects for implementation by private investors and the City. The plan would include parking standards appropriate to the mix of uses and transit-accessible location, and would also include an area-wide transportation demand management program. All of

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these implementing actions would be identified in the plan and would thus be adopted by October 2019.

The success of the program would be measured by determining the increased number of housing units (as well as variety of type), non-residential square footage, and community benefits that accrue from the plan. Due to limited housing sites and the higher return on investment from non-residential development, there has not been as much multi-family housing development in Palo Alto as in other nearby jurisdictions. The coordinated area plan provides an opportunity to change this paradigm and encourage higher density housing and a mix of non-residential uses, while also ensuring that negative impacts would be avoided and that the larger community would see a benefit.

4. Please describe the project's community outreach component. Is it designed to involve the affected community, including existing residents and business owners, to ensure that community concerns are understood and reflected in the plan?

Preparation of a coordinated area plan requires a minimum of two neighborhood community meetings and seven meetings of a 7-14 member community working group appointed by the City Council (community working group meetings are open to the public). In addition, the plan would be reviewed by the Planning and Transportation Commission, Historic Resources Board, Architectural Review Board, and the City Council at public hearings scheduled for this purpose.

The City Council would establish the goals, objectives and schedule for the planning process, including a detailed program for City facilitated outreach and feedback between residents, business and property owners and other interested members of the public.

The City Council appointed community working group would be comprised of residents, business and property owners and other stakeholders, and would be the focal point for community involvement during the planning process. The working group would work with staff and consultants to analyze issues/opportunities and alternatives, and to develop the draft plan for the City Council's consideration. The group would hold regular meetings that are open to the public, and at least one of the initial working group meetings would be a joint meeting with the City Council to enable early dialogue between the bodies.

Public meetings and hearings would be complemented by a robust online and electronic outreach effort. A website would be created to both gather and disseminate information as part of the outreach process. The City has used an online forum for civic engagement successfully in the past, and would request feedback from the general public on goals and concepts, alternatives, and on draft documents. Similar to what was done from the Comprehensive Plan Update, this forum would be used throughout the planning process to get public feedback from those who may not be able to attend meetings or participate in the entire process.



Legend

- Priority Development Area
- Proposed North Ventura Coordinated Area Plan Boundary



The City of
Palo Alto



Proposed North Ventura Coordinated Area Plan Boundary

This map is a product of the
City of Palo Alto GIS



(This sample is for projects performed by local agency staff. It may be modified for work performed by consultant.)					
Date:	6/26/2017				
Project Number:	SRTSLNI-XXXX(XXX)				
Project Location:	City of Palo Alto				
Project Description:	<p>The North Ventura Coordinated Area Plan project would develop a comprehensive planning document similar to a specific plan for a mixed-use neighborhood in proximity to the California Avenue Caltrain station, the California Avenue business district, the El Camion Camino Real corridor, and the Stanford Research Park. The planning process and the plan's contents would be governed by Palo Alto Municipal Code Section 19.10 and would seek to build a sense of community through public involvement, providing residents, businesses and property owners with a meaningful opportunity to shape the land uses, transportation connections, infrastructure needs, and other physical attributes of the planning area. The purpose of the North Ventura Coordinated Area Plan is to identify opportunities for transit-oriented housing and employment in a well-planned and designed mixed use area of residential and commercial uses. Open space will also respond to the planning area's transit oriented character by incorporating pedestrian and bicycle connections to nearby transit services.</p> <p>The plan will identify allowable uses and development standards, including the density, floor area ratio, orientation, and setbacks. Specific architectural and site design objectives and requirements will be identified, including the scale of streets, building orientation, placement and design of public and private parks or plazas, courtyards, arcades, porches, walls, fences, trellises, sidewalk treatments, and parking configuration. Design guidelines will be developed to address each land use type, streets, parks, and any public facilities.</p>				
Task Summary:		Start	End	Cost	
Task "A"	North Ventura Coordinated Area Plan	November, 2017	October, 2019	\$ 612,000	
	(Concurrent CEQA Process for the North Ventura CAP to be funded separately)			\$ 138,000	
Task "B"				\$	
Task "C"				\$	
Task "D"					
Task "E"				\$	
GRAND TOTAL				\$ 750,000	
TASK "A" DETAIL:					
Task Summary:	Preparation of a Coordinated Area Plan for North Ventura Area and public process				
	Schedule:	Start Date:	Month-Year	End Date:	Month-Year
Activities/	1	Project initiation, approval of work scope and appointment of Community Working Group (CWG) by City Council. November 2017-February 2018. (\$150,000)			
Deliverables:	2	Preparation of Existing Conditions Opportunity Report, Land use Alternatives, Transportation Analysis and Financial Feasibility Report. Neighborhood Community Meetings #1 & 2, and kick-off of regular CWG Meetings. February 2018-May 2019. (\$230,000)			
	3	Preparation of Draft Plan and continued public meetings. May-August 2019 (\$220,000)			
	4	Public hearings on Draft Plan with Architectural Review Board, Planning & Transportation Commission (PTC) and CWG. August-October 2019. (\$70,000)			

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January 27, 2012 LPP 12-01

- Repeat Task Details table for all identified tasks
- Include a Gantt Chart for the tasks, if appropriate.

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BOARD OF DIRECTORS MEETING

Thursday, September 7, 2017

MINUTES

1. CALL TO ORDER AND ROLL CALL

The Regular Meeting of the Santa Clara Valley Transportation Authority's (VTA) Board of Directors (Board) was called to order by Chairperson Bruins at 5:34 p.m. in the Board of Supervisors' Chambers, County Government Center, 70 West Hedding Street, San José, California.

1.1. ROLL CALL

Attendee Name	Title	Status
Jeannie Bruins	Chairperson	Present
Larry Carr	Board Member	Present
Cindy Chavez	Board Member	Present
David Cortese	Alternate Board Member	Absent
Dev Davis	Alternate Board Member	Absent
Lan Diep	Board Member	Present
Daniel Harney	Alternate Board Member	Absent
Glenn Hendricks	Board Member	Present
Chappie Jones	Board Member	Present
Johnny Khamis	Board Member	Present
Sam Liccardo	Vice Chairperson	Present
John McAlister	Alternate Board Member	Present
Bob Nunez	Alternate Board Member	Present
Teresa O'Neill	Board Member	Present
Raul Peralez	Board Member	Present
Rob Rennie	Alternate Board Member	Absent
Savita Vaidhyanathan	Board Member	Present
Ken Yeager	Board Member	Absent

* Alternates do not serve unless participating as a Member.

A quorum was present.

1.2. Orders of the Day

Chairperson Bruins noted that staff requested **Agenda Item #8.1.B.**, Receive Safety and Security Report, be heard prior to **Agenda Item #8.1.A.**, Receive Government Affairs Update.

Chairperson Bruins noted the addendum to the Agenda, **Agenda Item 8.1.B.X.**, Silicon Valley Rapid Transit (SVRT) Operations and Maintenance Agreement Update.

Board Member Vaidhyanathan requested **Agenda Item 6.10.**, Update on Silicon Valley Express Lanes Electronic Toll Systems Integration Services, be removed from the Consent Agenda and placed on the Regular Agenda.

M/S/C (Chavez/Carr) to accept the Orders of the Day.

RESULT:	ACCEPTED [UNANIMOUS] – Agenda Item #1.2
MOVER:	Cindy Chavez, Board Member
SECONDER:	Larry Carr, Board Member
AYES:	Bruins, Carr, Chavez, Hendricks, Jones, Khamis, O'Neill, Peralez, Vaidhyanathan
NOES:	None
ABSENT:	Diep, Liccardo, Yeager

Vice Chairperson Liccardo arrived and took his seat at 5:36 p.m.

Board Member Diep arrived and took his seat at 5:37 p.m.

2. AWARDS AND COMMENDATION

2.1. Retiree's Recognition September 2017

The Board recognized the following retirees for their distinguished public service with VTA: Arthur Douwes, Operations Manager, Engineering, for 37 years of service; Kim Alejandro, Service Mechanic, for 36 years of service, and; Richard Terry, Coach Operator, for 29 years of service;

The following retirees were unable to attend, but were recognized for their distinguished public service with VTA: Rick Melatti, Transit Foreperson, for 37 years of service; Rely Villanueva, Transit Foreperson, for 35 years of service; Horacio Ubillos, Coach Operator, for 31 years of service, and; Derrick McCray, Coach Operator, for 33 years of service.

Vice Chairperson Liccardo recognized Kurt Evans, Government Affairs Manager, for 25 years of distinguished public service with VTA.

Cassie Mancini, on behalf of the Assembly Member Evan Low, presented a Certificate of Recognition to Kurt Evans in recognition of 22 years of dedicated and impactful service to the residents of Santa Clara County.

NOTE: M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.

3. PUBLIC COMMENT

Angelia Doerner, Interested Citizen, provided a handout and made the following comments: 1) Silicon Valley's economic vitality and housing crisis created re-routing of regional cut-through traffic, thereby causing devastating impacts in Los Gatos, and 2) requested a stop sign be placed at Massol Avenue and Highway 9, noting this intersection has already claimed one life.

John Rainville, Interested Citizen, requested VTA continue Bus Route 180, noting its importance to the community.

Eugene Bradley, Silicon Valley Transit Users, made the following comments: 1) commended VTA for providing free bus and light rail service during the heat wave; 2) requested, in writing, the cost to VTA of not collecting fares during the heat wave, and; 3) expressed appreciation to VTA for running service to cooling centers throughout Santa Clara County.

Roland Lebrun, Interested Citizen, offered the following comments: 1) a potential site has been identified for "tiny home villages" near the Santa Teresa Light Rail Station and requested VTA look into the possible leasing agreements, and; 2) suggested VTA consider twin bore tunneling without cut and cover for - Phase 2 of the VTA's BART Silicon Valley Extension Project.

James Wightman, Interested Citizen, made the following comments: 1) queried about the implementation of Next Network Service Changes; 2) queried about October 2017 and January 2018 Service Changes; 3) expressed safety and operations concerns at VTA stops and park and ride lots.

William MacDonald, Interested Citizen, expressed concern on the following: 1) passenger vehicles pulling out in front of buses; 2) bus annunciators are not working; and 3) undue litigation VTA is faced with.

4. PUBLIC HEARINGS

There were no Public Hearings.

5. COMMITTEE REPORTS

5.1. Citizens Advisory Committee (CAC) Chairperson's Report

The Citizens Advisory Committee (CAC) Chairperson's report was contained in the Board Members' reading folders and placed on the public table.

5.2. Policy Advisory Committee (PAC) Chairperson's Report

Chairperson Bruins noted Mr. Miller would provide the Policy Advisory Committee (PAC) Chairperson's Report upon his arrival.

5.3. Policy Advisory Board Chairpersons' Report

There were no Policy Advisory Board reports.

6. CONSENT AGENDA

Public Comment

Mr. Lebrun referenced **Agenda Item #6.11.**, Pedestrian Access to Transit Plan, and expressed the importance of providing a pedestrian overpass to connect the 200 affordable housing units on Cottle Road in San Jose to the VTA light rail platform and Kaiser Hospital.

Chairperson Bruins referenced **Agenda Item #6.2.**, Transit Assistance Program (TAP), which authorizes the General Manager to contract with Santa Clara County for the TAP program. TAP successfully helped economically challenged residents to access public transportation. The current contract is expiring and this action will allow VTA to fund this program from reserves until the 2016 Measure B funds become available.

Vice Chairperson Liccardo noted his recusal on the following: **Agenda Item 6.3.**, SR 237 Express Lanes Phase 2 – Mark Thomas and Company Contract Amendment, and; **Agenda Item 6.4.**, Electric Bus Charging Infrastructure, Cerone Phase 1 Contract (C17156).

6.1. Board of Directors Regular Meeting Minutes of August 3, 2017

M/S/C (**Hendricks/Peralez**) to approve the Board of Directors Regular Meeting Minutes of August 3, 2017.

6.2. Transit Assistance program (TAP)

M/S/C (**Hendricks/Peralez**) to authorize the General Manager to execute an agreement with the County of Santa Clara to continue the Transit Assistance program (TAP) for one year with four one-year extensions for an aggregate total of \$1,000,000.

6.3. SR 237 Express Lanes Phase 2 – Mark Thomas and Company Contract Amendment

M/S/C (**Hendricks/Peralez**) on a vote of 10 ayes, 0 noes, and 1 recusal to authorize the General Manager to execute contract amendments with Mark Thomas and Company, Inc. in an amount not to exceed \$410,000, increasing the not-to-exceed total contract value to \$3,728,769 for the SR 237 Express Lanes Project (Project). This authorization would cover the cost of the additional Design Services to complete final design and the cost of Design Services During Construction (DSDC). Vice Chairperson Liccardo recused.

6.4. Electric Bus Charging Infrastructure, Cerone Phase 1 contract (C17156).

M/S/C (Hendricks/Peralez) on a vote of 10 ayes, 0 noes, and 1 recusal to authorize the General Manager to execute a contract with DMZ Builders, the lowest responsive and responsible bidder, for the construction of the Electric Bus Charging Infrastructure, Cerone Phase 1 contract (C17156). Vice Chairperson Liccardo recused.

6.5. Fiscal Year 2017 Federal Transit Administration (FTA) Grants

M/S/C (Hendricks/Peralez) to: 1) authorize the General Manager to submit Federal Fiscal Year 2017 grant applications and execute grant agreements with the Federal Transit Administration (FTA) for Section 5307 Urbanized Area Formula, Section 5309 New Starts, Section 5337 Fixed Guideway and High Intensity Motorbus, and Section 5339 Bus and Bus Facilities funds, and; 2) Adopt Resolution Number 2017.09.28 authorizing the filing of applications with the Federal Transit Administration for Federal transportation assistance authorized by 49 U.S.C. chapter 53, title 23 United States Code, and other Federal statutes administered by the Federal Transit Administration.

6.6. PDA Investment and Growth Strategy

M/S/C (Hendricks/Peralez) to approve the Priority Development Area (PDA) Investment and Growth Strategy, Third Edition, as a requirement of receiving future OBAG grant funding.

6.7. Priority Development Area Planning Grant Program of Projects

M/S/C (Hendricks/Peralez) to approve the 2017 Priority Development Area (PDA) Planning Grant Program of Projects for funding.

6.8. Legislative Update Matrix.

M/S/C (Hendricks/Peralez) to review the Legislative Update Matrix.

6.9. VTA-ATU Pension Plan Actuarial Valuation as of January 1, 2017

M/S/C (Hendricks/Peralez) to receive the report on VTA-ATU Pension Plan Actuarial Valuation as of January 1, 2017.

6.10. (Removed from the Consent Agenda and placed on the Regular Agenda.)

Receive information on a new contract for Silicon Valley Express Lanes Electronic Toll Systems Integration Services with TransCore, LP.

6.11. Pedestrian Access to Transit Plan

M/S/C (Hendricks/Peralez) to review the Draft Pedestrian Access to Transit Plan.

RESULT:	APPROVED [UNANIMOUS] – Agenda Items 6.1-6.2; 6.5-6.9, and; 6.11
MOVER:	Glenn Hendricks, Board Member
SECONDER:	Raul Peralez, Board Member
AYES:	Bruins, Carr, Chavez, Diep, Hendricks, Jones, Khamis, Liccardo, O'Neill, Peralez, Vaidhyanathan
NOES:	None
ABSENT:	Yeager

RESULT:	APPROVED – Agenda Items 6.3-6.4
MOVER:	Glenn Hendricks, Board Member
SECONDER:	Raul Peralez, Board Member
AYES:	Bruins, Carr, Chavez, Diep, Hendricks, Jones, Khamis, O'Neill, Peralez, Vaidhyanathan
NOES:	None
RECUSAL:	Liccardo
ABSENT:	Yeager

5. COMMITTEE REPORTS (CONTINUED)

5.2. Policy Advisory Committee (PAC) Chairperson's Report (continued)

Policy Advisory Committee (PAC) Chairperson Miller provided a brief report, noting the Committee received an update on the 2016 Measure B Program Category Guidelines and expressed its support for maintaining the 50 percent cap, per jurisdiction, for the Bicycle and Pedestrian Program Category.

7. REGULAR AGENDA

Chairperson Bruins stated **Agenda Item #6.10.**, Update on Silicon Valley Express Lanes Electronic Toll Systems Integration Services, would now be heard.

The Agenda was taken out of order.

6.10. Update on Silicon Valley Express Lanes (SVEL) Electronic Toll Systems Integration Services

Upon inquiry of Board Member Vaidhyanathan, Casey Emoto, Deputy Director, Project Development, indicated State Route (SR) 85-related solutions will be brought up through the policy advisory board process.

BOARD OF DIRECTORS MEETING

Thursday, September 7, 2017

5:30 p.m.

Board of Supervisors' Chambers
County Government Center
70 West Hedding Street
San Jose, California

ADDENDUM TO AGENDA

- 8.1.B.X.** INFORMATION ITEM - Receive an update on the Silicon Valley Rapid Transit (SVRT) Operations and Maintenance Agreement. (Verbal Report)

BOARD OF DIRECTORS MEETING

Thursday, September 7, 2017

5:30 PM

Board of Supervisors' Chambers

County Government Center
70 West Hedding Street
San Jose, CA 95110

AGENDA

To help you better understand, follow, and participate in the meeting, the following information is provided:


- Persons wishing to address the Board of Directors on any item on the agenda or not on the agenda are requested to complete a blue card located at the public information table and hand it to the Board Secretary staff prior to the meeting or **before the item is heard**.
- Speakers will be called to address the Board when their agenda item(s) arise during the meeting and are asked to limit their comments to 2 minutes. The amount of time allocated to speakers may vary at the Chairperson's discretion depending on the number of speakers and length of the agenda. **If presenting handout materials, please provide 25 copies to the Board Secretary for distribution to the Board of Directors.**
- The Consent Agenda items may be voted on in one motion at the beginning of the meeting. The Board may also move regular agenda items on the consent agenda during Orders of the Day. If you wish to discuss any of these items, please request the item be removed from the Consent Agenda by notifying the Board Secretary staff or completing a blue card at the public information table prior to the meeting or prior to the Consent Agenda being heard.

- Disclosure of Campaign Contributions to Board Members (Government Code Section 84308)

In accordance with Government Code Section 84308, no VTA Board Member shall accept, solicit, or direct a contribution of more than \$250 from any party, or his or her agent, or from any participant, or his or her agent, while a proceeding involving a license, permit, or other entitlement for use is pending before the agency. Any Board Member who has received a contribution within the preceding 12 months in an amount of more than \$250 from a party or from any agent or participant shall disclose that fact on the record of the proceeding and shall not make, participate in making, or in any way attempt to use his or her official position to influence the decision.

A party to a proceeding before VTA shall disclose on the record of the proceeding any contribution in an amount of more than \$250 made within the preceding 12 months by the party, or his or her agent, to any Board Member. No party, or his or her agent, shall make a contribution of more than \$250 to any Board Member during the proceeding and for three months following the date a final decision is rendered by the agency in the proceeding. The foregoing statements are limited in their entirety by the provisions of Section 84308 and parties are urged to consult with their own legal counsel regarding the requirements of the law.

- All reports for items on the open meeting agenda are available for review in the Board Secretary's Office, 3331 North First Street, San Jose, California, (408) 321-5680, the Monday, Tuesday, and Wednesday prior to the meeting. This information is available on our website, www.vta.org, and also at the meeting. Any document distributed less than 72-hours prior to the meeting will also be made available to the public at the time of distribution. Copies of items provided by members of the public at the meeting will be made available following the meeting upon request.

In accordance with the Americans with Disabilities Act (ADA) and Title VI of the Civil Rights Act of 1964, VTA will make reasonable arrangements to ensure meaningful access to its meetings for persons who have disabilities and for persons with limited English proficiency who need translation and interpretation services. Individuals requiring ADA accommodations should notify the Board Secretary's Office at least 48-hours prior to the meeting. Individuals requiring language assistance should notify the Board Secretary's Office at least 72-hours prior to the meeting. The Board Secretary may be contacted at (408) 321-5680 or *e-mail: board.secretary@vta.org or (408) 321-2330 (TTY only). VTA's home page is on the web at: www.vta.org or visit us on  Facebook at: www.facebook.com/scvta. (408) 321-2300: 中文 / Español / 日本語 / 한국어 / tiếng Việt / Tagalog.

**NOTE: THE BOARD OF DIRECTORS MAY ACCEPT, REJECT OR MODIFY
ANY ACTION RECOMMENDED ON THIS AGENDA.**

70 West Hedding St., San Jose, California is served by bus lines *61, 62, 66, 181, and Light Rail. (*61 Southbound last trip is at 8:55 pm for this location.)

For trip planning information, contact our Customer Service Department at (408) 321-2300 between the hours of 6:00 a.m. to 7:00 p.m. Monday through Friday and 7:30 a.m. to 4:00 p.m. on Saturday. Schedule information is also available on our website, www.vta.org.

1. CALL TO ORDER AND ROLL CALL

1.1. ROLL CALL

1.2. Orders of the Day

2. AWARDS AND COMMENDATION

- 2.1. INFORMATION ITEM** - Adopt a Retirement Commendation recognizing Arthur Douwes, Operations Manager, Engineering, for 37 years of service; Rick Melatti, Transit Foreperson, for 37 years of service; Kim Alejandro, Service Mechanic, for 36 years of service; Rely Villanueva, Transit Foreperson, for 35 years of service; Derrick McCray, Coach Operator, for 33 years of service; Horacio Ubillos, Coach Operator, for 31 years of service; Richard Terry, Coach Operator, for 29 years of service; David Ramos, Paint and Body Foreperson, for 27 years of service; Kurt Evans, Government Affairs Manager, for 25 years of service.

3. PUBLIC COMMENT

This portion of the meeting is reserved for persons desiring to address the Board of Directors on any item within the Board's jurisdiction. Speakers are **limited to 2 minutes**. The law does not permit Board action or extended discussion of any item not on the agenda except under special circumstances. If Board action is requested, the matter can be placed on a subsequent agenda. All statements that require a response will be referred to staff for reply in writing.

4. PUBLIC HEARINGS

There are no public hearings.

5. COMMITTEE REPORTS

- 5.1.** Citizens Advisory Committee (CAC) Chairperson's Report. (Verbal Report) (Wadler)
- 5.2.** Policy Advisory Committee (PAC) Chairperson's Report. (Verbal Report) (Miller)
- 5.3.** Policy Advisory Board Chairpersons' Report. (No Report)

6. CONSENT AGENDA

- 6.1.** ACTION ITEM: Approve the Board of Directors Regular Meeting Minutes of August 3, 2017.
- 6.2.** ACTION ITEM - Authorize the General Manager to execute an agreement with the County of Santa Clara to continue the Transit Assistance program (TAP) for one year with four one-year extensions for an aggregate total of \$1,000,000.
- 6.3.** ACTION ITEM - Authorize the General Manager to execute contract amendments with Mark Thomas and Company, Inc. in an amount not to exceed \$410,000, increasing the not-to-exceed total contract value to \$3,728,769 for the SR 237 Express Lanes Project (Project). This authorization would cover the cost of the additional Design Services to complete final design and the cost of Design Services During Construction (DSDC).
- 6.4.** ACTION ITEM - Authorize the General Manager to execute a contract with DMZ Builders, the lowest responsive and responsible bidder, for the construction of the Electric Bus Charging Infrastructure, Cerone Phase 1 contract (C17156).
- 6.5.** ACTION ITEM - 1) Authorize the General Manager to submit Federal Fiscal Year 2017 grant applications and execute grant agreements with the Federal Transit Administration (FTA) for Section 5307 Urbanized Area Formula, Section 5309 New Starts, Section 5337 Fixed Guideway and High Intensity Motorbus, and Section 5339 Bus and Bus Facilities funds; and

2) Adopt a resolution authorizing the filing of applications with the Federal Transit Administration for Federal transportation assistance authorized by 49 U.S.C. chapter 53, title 23 United States Code, and other Federal statutes administered by the Federal Transit Administration.
- 6.6.** ACTION ITEM - Approve the Priority Development Area (PDA) Investment and Growth Strategy, Third Edition, as a requirement of receiving future OBAG grant funding.
- 6.7.** ACTION ITEM - Approve the 2017 Priority Development Area (PDA) Planning Grant Program of Projects for funding.
- 6.8.** INFORMATION ITEM - Review the Legislative Update Matrix.
- 6.9.** INFORMATION ITEM - Receive the report on VTA-ATU Pension Plan Actuarial Valuation as of January 1, 2017
- 6.10.** INFORMATION ITEM - Receive information on a new contract for Silicon Valley Express Lanes Electronic Toll Systems Integration Services with TransCore, LP.

- 6.11.** INFORMATION ITEM - Review the Draft Pedestrian Access to Transit Plan.

7. REGULAR AGENDA

Administration and Finance Committee

- 7.1.** ACTION ITEM - Adopt a resolution that approves the Loan Agreement and related documents that are on file with the Board Secretary and authorizes entry into a loan for a not to exceed principal amount of \$24,000,000, (the "Loan") from Western Alliance Business Trust, a wholly-owned affiliate of Western Alliance Bank ("Western Alliance"), to fund costs of the Silicon Valley Express Lanes Program SR 237, Phase 2 Project (the "Project").

NOTE: Motion must be approved by at least 2/3 of the Board (8 members).

Safety, Security, and Transit Planning and Operations Committee

- 7.2.** ACTION ITEM - Approve the original FY18-19 "Next Network" Transit Service Plan proposals for: 1) Discontinuing Route 45 due to low ridership, and; 2) Operating the Rapid 500 on Santa Clara Street.

Governance and Audit Committee

- 7.3.** ACTION ITEM - Approve appointments to the 2016 Measure B Citizens' Oversight Committee.

This action is contingent upon the recommendation of the Governance & Audit Committee.

8. OTHER ITEMS

- 8.1.** General Manager Report. (Verbal Report)

8.1.A. Receive Government Affairs Update. (Verbal Report)

8.1.B. Receive Safety and Security Report. (Verbal Report)

- 8.2.** Chairperson's Report. (Verbal Report)

- 8.3.** ITEMS OF CONCERN AND REFERRAL TO ADMINISTRATION

- 8.4.** Unapproved Minutes/Summary Reports from VTA Committees, Joint Powers Boards (JPB), and Regional Commissions

8.4.A. VTA Standing Committees

8.4.B. VTA Advisory Committees

8.4.C. VTA Policy Advisory Boards (PAB)

8.4.D. Joint Powers Boards and Regional Commissions

8.5. Announcements

9. CLOSED SESSION

9.1. Recess to Closed Session

A. Conference with Real Property Negotiators
[Government Code Section 54956.8]

Property: 801 Newhall Street, San Jose, CA.

MTA Negotiator: Ron Golem

Negotiating parties: Sprint Communications Co., L.P.

Under Negotiation: Price and terms of payment (ground lease extension)

B. Conference with Legal Counsel - Existing Litigation
[Gov't Code Section 54956.9(d)(1)]

Claim of the Estate of Lawrence Thompson, Claim No. 1893575

9.2. Reconvene to Open Session

9.3. Closed Session Report

10. ADJOURN



Date: September 1, 2017
 Current Meeting: September 7, 2017
 Board Meeting: September 7, 2017

BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
 Board of Directors

THROUGH: General Manager, Nuria I. Fernandez

FROM: Director - Planning & Programming, Chris Augenstein

SUBJECT: Priority Development Area Planning Grant Program of Projects

Policy-Related Action: No

Government Code Section 84308 Applies: No

ACTION ITEM

RECOMMENDATION:

Approve the 2017 Priority Development Area (PDA) Planning Grant Program of Projects for funding.

BACKGROUND:

On July 27, 2016, the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) adopted the One Bay Area Grant Cycle 2 (OBAG 2) program to distribute Federal funds to the nine-county Bay Area. The Commission revised the program October 26, 2016 to reflect additional housing requirements. The OBAG 2 program provides the programming framework for Federal fiscal years 2018 - 2022.

MTC's OBAG 2 program guidelines allowed each county Congestion Management Agency (CMA) to set aside funding for local agencies to do planning work designed to promote growth within their Priority Development Areas (PDA). VTA is the CMA for Santa Clara County. The VTA Board of Directors set aside \$2 million of OBAG 2 Federal Surface Transportation Program (STP) for PDA Planning when it adopted the OBAG 2 program structure on November 1, 2015.

DISCUSSION:

VTA staff released the first competitive OBAG 2 PDA Planning Grant call-for-projects on May 22, 2017, with \$2,000,000 available. VTA staff announced the call at the Capital Improvement Program Working Group and Land Use/Transportation Integration Working Group, Technical Advisory Committee and Policy Advisory Committee meetings and the notice was sent to all

groups via e-mail. VTA Planning staff offered to consult with any local agency requesting assistance during the application process.

Following the July 6, 2017 due date, VTA staff received three applications: (1) City of Palo Alto - North Ventura Coordinated Area Plan, (2) City of San José - Downtown San José Mobility, Streetscape, and Public Life Plan, and (3) City of San José - East Side Alum Rock Urban Village. Attachment A - Project Recommendations shows each application's requested and recommended amount; Attachment B - Project Descriptions provides additional project details; and Attachment C - Maps indicates the project location in relationship with the PDA.

The total request of all the applications was slightly less than the amount available. Therefore, an external review was waived. However, both VTA Planning and Programming staff reviewed each application and addressed points of clarification with the applicants. All three applications are recommended for the full grant amount requested.

As noted on Attachment A, the program is undersubscribed by \$149,000. VTA staff propose to roll these funds into the next PDA Planning call for projects.

ALTERNATIVES:

The Board may choose to fund or not fund any and or all of the recommended projects.

FISCAL IMPACT:

There is no direct fiscal impact associated with the adoption of the PDA Planning Grant Program of Projects.

ADVISORY COMMITTEE DISCUSSION/RECOMMENDATION:

The Technical Advisory Committee (TAC) considered this item at their August 9, 2017 meeting and it was forwarded to the VTA Board of Directors (Board) with no discussion.

The Policy Advisory Committee (PAC) considered this item at their August 10, 2017 meeting and voted unanimously to recommend Board approval of 2017 Priority Development Area Planning Grant Recommended Program of Projects.

Members asked staff about program guidelines and criteria; staff responded that the program and requirements are set by federal government, and/or MTC; VTA only administers the program. Staff reiterated that the grant program is for planning studies only in PDAs. When asked about the few applicants, staff provided overview of application process, outreach efforts, and follow ups conducted.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

The Congestion Management Program and Planning Committee (CMPP) considered this item at their August 17, 2017 meeting and voted unanimously to recommend Board approval of the 2017 Priority Development Area Planning Grant Recommended Program of Projects.

Prepared by: Celeste Fiore

Memo No. 6025

ATTACHMENTS:

- Attach A (PDF)
- Attach B (PDF)
- Attach C (PDF)

ATTACHMENT A
2017 Priority Development Area Planning Grant
Recommended Program of Projects

Agency	Application Name	Requested Amount	Recommended Amount	Cumulative Amount
Palo Alto	North Ventura Coordinated Area Plan	\$638,000	\$638,000	\$638,000
San Jose	Downtown San José Mobility, Streetscape, and Public Life Plan	\$813,000	\$813,000	\$1,451,000
San Jose	East Side Alum Rock Urban Village	\$400,000	\$400,000	\$1,851,000

Grant \$ Available	\$2,000,000
Grant \$ Requested	\$1,851,000
Grant \$ Recommended	\$1,851,000
(Over)/Under	\$149,000

ATTACHMENT B

2017 PDA Planning Grant Program Project Descriptions

City of Palo Alto – North Ventura Coordinated Area Plan

The North Ventura Coordinated Area Plan project would develop a comprehensive planning document similar to a specific plan for a mixed-use neighborhood in proximity to the California Avenue Caltrain station, the California Avenue business district, the El Camino Real corridor, and the Stanford Research Park.

Project limits: The boundaries of the planning area comprise the southernmost portion of the California Avenue Area Planned Development Area (PDA) and the northernmost section of the City’s Ventura Neighborhood. A key component of this planning area is the 12.5 acre site owned by the Sobrato Organization and commonly referred to as the Fry’s site due to the long-time presence of Fry’s Electronics. The site includes approximately 250,000 square feet of office/R&D, retail, and warehouse and is zoned for multifamily housing. Alternatives considered could include repurposing existing buildings as well as complete redevelopment of the site with new construction.

Potential outcomes: to identify opportunities for transit-oriented housing and employment in a well-planned and designed mixed use area of residential and commercial uses. “Open space will respond to the planning area’s transit oriented character by incorporating pedestrian and bicycle connections to nearby transit services.”

City of San José – Downtown San José Mobility, Streetscape, and Public Life Plan

The existing guiding documents for transportation improvements in Downtown San José (DTSJ) are out-of-date and inadequate: they do not incorporate anticipated developments like BART, California High Speed Rail, and Google, nor do they acceptably reflect current community, city, and regional visions and goals.

This plan will provide clear, well-vetted direction for implementation of a world class multimodal transportation system in DTSJ. This community-based planning effort will be jointly led by the City of San José and VTA. These solutions will be safe, convenient, and comfortable, and fulfilling for all ages, abilities, incomes, and walks of life. This Plan seeks to contribute to and support a thriving Downtown San José that embodies environmental, fiscal, and social sustainability.

Project limits: Downtown San José. Reference Attachment C-2.

Potential outcomes: The outcome of this community-based planning effort will be a clear vision accompanied by a clear implementation strategy which will improve the mobility, streetscapes, and public life of DTSJ. This effort will synthesize, leverage, and advance past and ongoing planning efforts, multimodal innovations, and strategies for vibrant public life to create a unified, comprehensive, detailed, prioritized, and implementable plan. Efforts to be unified by this planning effort include, but are not limited to: San José Downtown Association’s Downtown

ATTACHMENT B

2017 PDA Planning Grant Program Project Descriptions

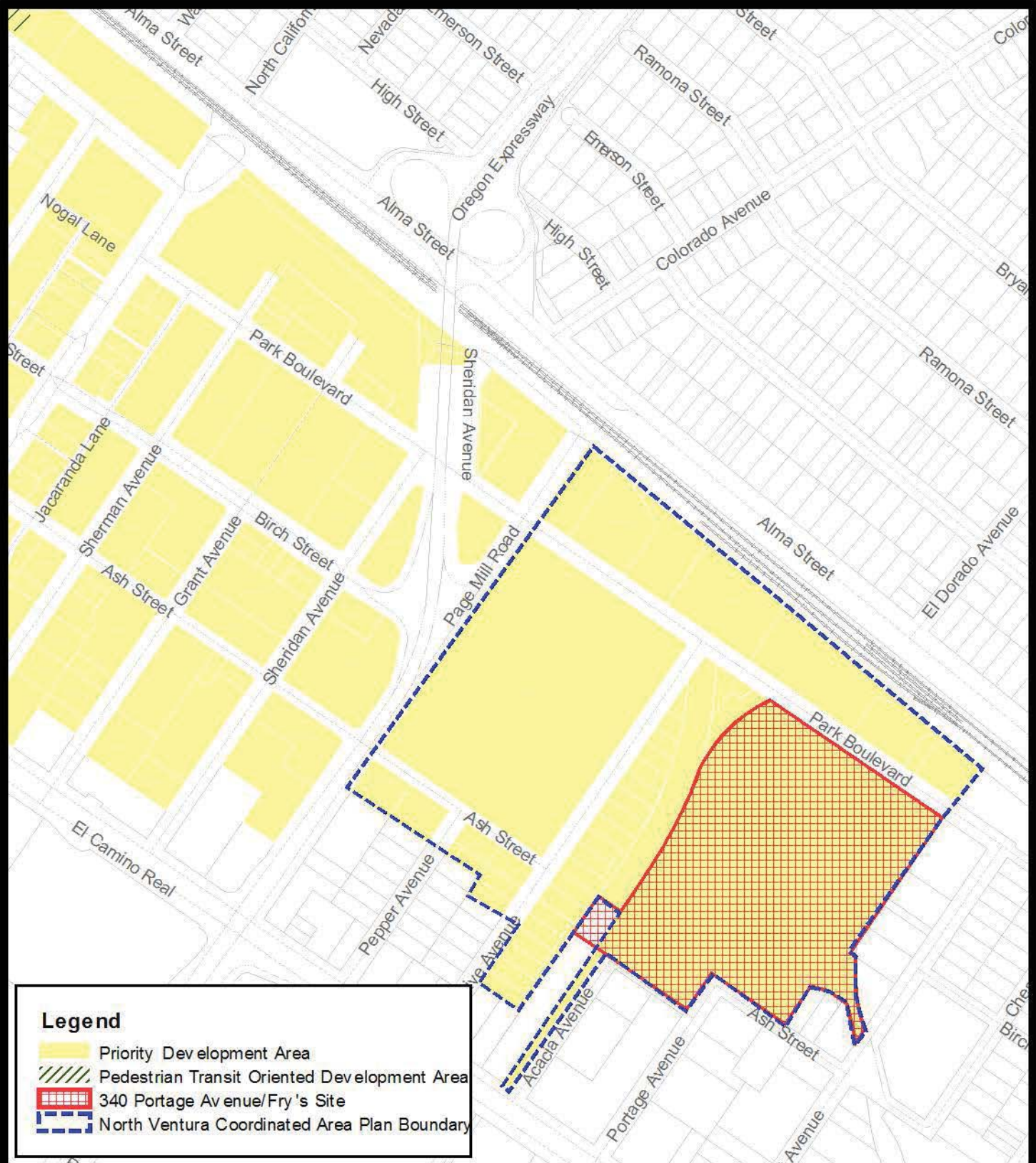
Streetlife Plan (2014), SPUR's The Future of Downtown San José (2014), and several plans of the City of San José and VTA's existing plans.

City of San José – East Side Alum Rock Urban Village

The vision for the PDA known as the East Side Alum Rock Urban Village is to further the transit-oriented development and infill growth strategies of the recently approved Envision San José 2040 General Plan. By developing a corridor-specific land use policy, the plan will facilitate high-density residential uses serving a mix of income levels, higher-intensity commercial/office uses, and mixed-uses that are in a more urban, vibrant, and walkable corridor on Alum Rock Avenue. Further, it will provide a connection to the planned 28th Street Bay Area Rapid Transit (BART) station, the Alum Rock Light Rail Station, and the adjacent Alum Rock Transit Center on Capital Avenue.

Project limits: along the VTA Bus Rapid Transit (BRT) system on Alum Rock Avenue (east of 680).

Potential outcomes: The East Side Alum Rock Urban Village Plan will provide the policy framework for new development to create a vibrant, walkable, mixed-use urban community, at a strategic location in San Jose. East Side Alum Rock is a Local Transit Urban Village and one of the 63 urban villages within the City of San Jose. This Urban Village planning process will identify key infill opportunity areas in the East Side Alum Rock Plan area to create a higher-density, mixed-used, urban district or "Urban Village". This Plan will integrate commercial uses and public services in close proximity to residential and employee populations to increase existing transit ridership, biking, and walking. Additionally, the Plan will promote urban development that is environmentally and fiscally beneficial to the City by reducing greenhouse gases and providing services more efficiently to a growing population.



The City of
Palo Alto

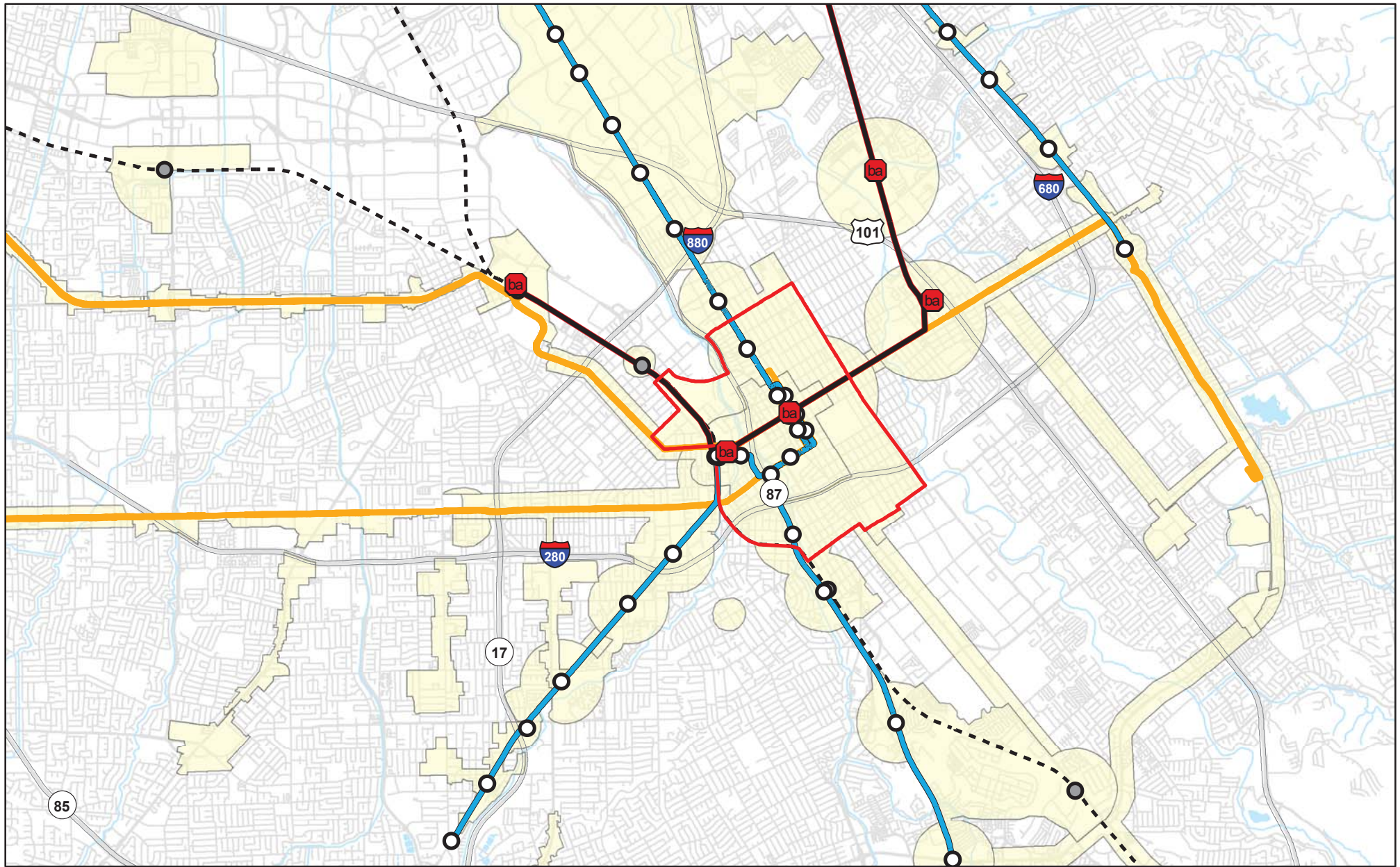


North Ventura Coordinated Area Plan Boundary

This map is a product of the
City of Palo Alto GIS



0' 400'



Downtown San Jose PDA and Project Area

- Downtown San Jose PDA
- Priority Development Areas
- BRT/Rapid Bus Routes
- Caltrain, Amtrak, ACE, HSR

- VTA Light Rail
- ba— BART Extension

0 1 2 Miles



East Side Alum Rock Urban Village-PDA

6.7.c

