



CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Regular Meeting
February 1, 2016

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:04 P.M.

Present: Berman, Burt, DuBois, Filseth, Holman, Kniss, Scharff, Schmid, Wolbach arrived at 6:25 P.M.

Absent:

Study Session

1. Study Session on National, State and Local Trends on the Impact of Arts and Culture.

Mayor Burt: Our first order of business tonight is a Study Session on the national, state and local trends on the impact of arts and culture. Welcome. I think we have a Staff kick-off. Thank you.

Rhyena Halpern, Community Services Assistant Director: Thank you. Good evening, Mayor and Council Members. I'm Rhyena Halpern, Assistant Director for Community Services overseeing the arts and sciences. Tonight it's my pleasure to open up a Study Session on the impact of the arts on the quality of life, looking at national, state and local trends. With us tonight we have two esteemed guests. I want to introduce you to them briefly, and then we'll throw it over to them. Randy Cohen, to my far right, is Vice President of Research and Policy at Americans for the Arts, the nation's advocacy organization for the arts. He's been there since 1991, and he stands out as one of the most noted experts in the field of arts funding, research, policy and using the arts to address community development issues. Randy has given speeches in 49 states and regularly appears in the news media including *The New York Times*, C-SPAN, NPR, CNN and CNBC. To my right we have Craig Watson who's the Executive Director of the California Arts Council in Sacramento. Before he was at the council, he was the Director and my colleague of the Arts Council for Long Beach when I was in Sacramento. As the Director of the State arts agency, he's the first in the agency's history to be hired directly by the council rather than a gubernatorial appointment. He also has studied fine arts at Occidental College, trained as a sculptor and worked with renowned artist Christo on

TRANSCRIPT

Running Fence in Sonoma. Now, I'm going to turn it over to Randy, and he's going to do a presentation, followed by Craig, and then we will have ample time for discussion and questions.

Randy Cohen, Americans for the Arts, Vice President of Research and Policy: Thank you. Mayor Burt, members of the Council, thank you so much for having me. It's great to be with you. It's great to be back here in the Bay Area. I actually just grew up down El Camino there in Sunnyvale, so this is all coming back time for me. Worked over here at Stanford doing research for a number of years. I'm really thrilled to be with you today to really just talk about the arts and tell a good news story about the benefits that come to us in a vibrant arts community. I think we all understand how the arts inspire us and help us feel more creative and engaged. They entertain us; we enjoy them. I want to stipulate all of that, all those reasons we normally think about the arts, and really talk about some of the very pragmatic aspects that come to a community rich in the arts. I'm going to start with the idea. A lot of people think this pragmatic thing for the arts is just sort of some new way to get money or something. Actually, you know what? Arts have been very purposefully used for a number of years. What you're hopefully looking at on your monitors is a picture which you all recognize probably from school. That's George Washington there at Valley Forge, captured by an artist. What was interesting that long, cold, hungry winter, General Washington was really in a fix trying to figure out how do I inspire these guys, this hungry, freezing army up against this well-fortified, well-fed, warm army. You know what he did? He gave an order that a play be performed. He turned to the arts. He didn't say, "We're going to go take out that pig farm today and that chicken ranch," or something tomorrow. He ordered that the five act play *Cato* be performed. It was a play about a young Roman nobleman who stood up to authority for what he believed was right. That really inspired a lot of early leaders back then. The idea was don't get out there and do battle tomorrow because I'm telling you to. This is what we're aspiring to. This is the new republic. He felt actually that the arts were the best way to convey that message. Now, interestingly he did that despite a Congressional resolution at the time that said plays were detrimental to republican virtue, so he even broke orders to make it happen. It's also a nice transition to something that we're seeing an awful lot of now. I'm just jumping right into some of these pragmatic aspects. Many of you may recognize this February—actually a year ago this month—February 2015 *National Geographic*, the cover story was about arts in the military. We work with the VA, with the Defense Department. They are looking to the arts as a way to help our servicemen and servicewomen returning from the battles to heal emotionally, be reintegrated into their communities, their families. Walter Reed, the National Intrepid Center for Excellence are using the arts very intensively because they found it as an effective way to help

TRANSCRIPT

people begin to express through art what's on their mind, what's going on. There's no healing to be had until you can begin to express. They're very excited about this. Their big challenge is how do they spread that out across the country, how do they build this continuum of care. Working with the VA, and I know we have a VA presence right here in the area, that is one strong area where we see the arts touching our lives in a way, again, that's not really intuitive for a lot of people. Here's another way that's not really intuitive to people: arts as an industry. Arts are a business in this country. We did a big national study on the economic impact of nonprofit arts and culture organizations and their audiences. This one we published in 2012. What we found nationally, the nonprofit arts and culture industry, a \$135 billion industry, that's billion with a "B," across the country. Now not just big national numbers, we can bring it down locally here. You can see data there for Santa Clara County, a \$167 million industry, \$105 million in spending by the arts organizations, and an additional \$62 million in spending by arts audiences. Think of the last time you went to see a show or an exhibit or something. You probably went out for dinner first maybe and paid for parking and went out for dessert or drinks afterwards. If you've got little ones at home, you double the cost of the evening on babysitting. So lots of economic activity. We did 1,400 audience interviews right here in the area. The typical attendee spends \$22.87 per person per event not including the cost of admission. Also interestingly, 26 percent of the attendees come from outside the county to attend that arts event. We actually asked those non-local attendees a question which was why are you here. Are you here on business? Are you here visiting friends and family? 69 percent said, "We came specifically for this arts event." That's why we say a vibrant arts community, good for local merchants. Talk to your local restaurateurs. They know when there's great cultural events going on. Another economic way that we look at the arts is the creative economy. We hear this a lot. Another way we've captured the arts industry in Santa Clara County is looking at both the nonprofit and for-profit arts businesses using Dun & Bradstreet data. Dun & Bradstreet is the most comprehensive and trusted source for business information in the United States. Working with our researchers, we pulled out all the arts businesses. Nationally, 702,000 arts businesses. Right here in the county, you can see 4,423 arts businesses, nonprofit, theaters, museums, ballet companies, but also for-profit film, architecture, design. 4.1 percent of all businesses in the county are arts-centric businesses involved in the creation or the distribution of the arts. Just one more lens that we think about when we make that investment in the arts, we're investing in businesses that employ people. Actually you can see those 4,423 arts businesses employ over 16,000 people. It's a much bigger industry than most people think of. I'm moving quickly here, but this is just fodder for discussion and conversation afterwards. Also let me just take a moment real quick. Each of you in your packet have this handy little

TRANSCRIPT

one-pager, Ten Reasons to Support the Arts. You'll see each of the points I am making are highlighted on there as well. What's something else we think about all the time in our communities? Education. We're all worried about academic performance and how are our young people doing. There's an abundance of research that shows when the arts are part of a student's education, they're performing better academically, better standardized test scores, better grade point averages, lower dropout rates, even better attitudes about community service. We're always thinking about citizen engagement with our young people now, and the research also shows those are findings that cut across all socioeconomic strata. This isn't just kind of a more affluent neighborhood type of phenomenon. In low income communities and Title I schools, those kids—in fact, you can see an even greater benefit in those communities and schools with the kids who are engaged in the arts. Interestingly, the U.S. Department of Justice every ten years kind of takes a measure of how much arts education is out in the schools. They've seen over the last couple of decades kind of a steady decline. In those low-income communities and Title I schools, they've seen a huge drop-off actually. I think we saw that with a lot of high stakes testing and failing schools, all that type of thing, to the point where the Secretary of Education called this a civil rights issue. Who's getting access to arts and arts education and who's not? It's just the research is clear what a terrific jumping off point that is for our students. What does some of this look like? It's great to be in the Stanford area, because this is an anecdote I take all over the place. In 2003, the Nobel Prize winner for medicine was a local guy, Thomas Sudhof. When the reporters called, one of the questions that inevitably they ask is, "Professor, who was your most influential teacher?" Without missing a beat figuratively and literally, he said, "I owe it all to my bassoon teacher." He credits his music education with giving him the skills that have made him a great scientist. Drive for excellence, pattern recognition, the iterative research process, perseverance, all skills that he learned as a musician really helped shape him as a scientist. When we think this is just sort of a one-and-done example, there's actually research on every Nobel Prize winner in the sciences going back to the beginning. They are 17 times more likely to be actively engaged in the arts as a maker, as a singer, as a visual artist than typical scientists in different scientific societies. I think there really is something there. Let me just sort of finish with one more here. I worked in medical research. I've got a theater background, an arts background. I also have a medical research background and worked at Stanford and worked down at the Scripps Clinic and Research Foundation down in La Jolla. When I worked at Scripps, every Tuesday at 3:00 we used to have live chamber music in the lobby for patients, for families. At the time, I thought that's a nice amenity to go with the sculptures and everything else. The patients that I would see clinically in their rooms, lethargic, depressed. Let's face it, even if you have a view of the ocean, no

TRANSCRIPT

one wants to be in the hospital. Those patients you could see physical transformation take place in the presence of the music. Eyes got less cloudy, people's posture got better, greater awareness of the environment around them. I used to think it's like they're getting a shot of something. It's like an IV drip of the arts. It turns out now there's this growing body of research that shows when the arts are part of our healthcare—just about 50 percent of the nation's hospitals have kind of arts programs—we have shorter hospital stays, less depression, fewer doctor visits, even evidence that it saves money. Unless we even think this is a new idea, the god Apollo was the god of both music and healing. Talk about a big portfolio; that guy had it. We're really rediscovering a lot of the great community benefits that come with the arts. That's the opportunity here. Craig will talk more about it, and then we can discuss that. When we invest in the arts, we're getting more than just cultural benefits. We're building healthier communities, better young people, the communities that we want to live in. I've got to tell you, as I travel around to 40 cities a year, the investment begins with the public sector, government, cities, states, federally. The first ones in, that really helps launch these programs. I think there's real opportunity here. Thank you, and thank you for your support of the arts. There's so many wonderful things going on here. Thanks.

Craig Watson, California Arts Council: Rhyena has to set up my slides here. I have a prezzy, which we worked with a little bit earlier today. It was a little glitchy, but we're going to press on. If for some reason we can't get it to flow smoothly, I feel confident I can get all my points across. As Rhyena said, I'm Craig Watson. I'm the Director of the California Arts Council, your State agency for the arts. Every state in the union has one of these. Most of them date back 50 years. Last Wednesday night, we just celebrated our 40th anniversary, created when Governor Brown was governor the first time around. What I'd like to do is—a little bit of my overlap with Randy is to again set the context for the economic impact. I won't take too much time, because I think Randy made all the points that I would make, but I'll make it in a different way. Just again in context. California is a juggernaut for creativity, and this region in particular is a hotbed, as we know, for creativity. This report, in its third year on a statewide level, is demonstrating the impact of the arts for the state of California. We slice it a little bit differently than Randy does. When he looks at the arts and culture impact to the economy, I'm talking about strictly the arts community. This number, \$293 billion of State GDP, takes into account all industries that arguably have as their workforce some creative member who in some way was affected as they were growing or as they were training, as their work content. Think of design of both furniture, automotive, fashion. All of that would be encapsulated in this total number. That's a huge job creator for our state. From a policy perspective whether it's at our State level or even

TRANSCRIPT

for our national discussion, that's why it's so important that communities and states care about the workforce and the pipeline to these creative industries. You saw one in ten jobs. Just to put it in perspective, these are the three main sectors that have the biggest employment factors in the state. You had direct employment and indirect. This notion of how it impacts our communities, I think that's why we're here tonight, to get into real conversation. What Randy and I both bring to you tonight is observations. Observations of what's working throughout the United States and what's working in California. We're anxious to do that. Community development. As we were walking back from a coffee earlier tonight, I was asking, "Who does Palo Alto compare itself to?" We get into comparisons all the time, whether it's talking about our national comparisons, our state comparisons, but city comparisons. I think we touched on three cities, Santa Monica, Berkeley, Pasadena. I live in south Pasadena, and I'm proud to say that 25, 26 years ago I was the founding president of the Armory Center for the Arts, a city-owned facility still owned by the City of Pasadena that transformed an old armory into a world class, without argument world class, community art center where 90 percent of the work actually happens out in the community. Yet, there is this physical space for exhibition, for classes. It played a central role, a central role in the redevelopment of old Pasadena. If you've been to Pasadena and you've walked the old part of town, you know that that's a vibrant, active shopping district, but it still keeps the arts alive. The Armory Center is one of those reasons around community development and the arts. Randy talked about arts education, but I want to talk also about the roles that cities can play. I suspect that, what little now I know about concerns that you have about your youth development and the engagement of your youth, again I think the examples that I would challenge you to imagine is where are the cities that are actively involved in its local school district. I keep coming back to Pasadena just because it's the city I know best. They've declared their city committed to this notion of a community school. I think you know what we mean by that, and that is to define the school campuses as extensions really of the city's work. That includes the city providing the security within the schools. That includes all off hours of school use for community use, for arts activities, for afterschool, for festivals and whatnot. Arts education, whether its workforce development, the attraction of the community that you want to create it, caring about schools as you do and as the most vibrant cities do is very important. You heard Randy speak to this. Corrections is only up here because this is an issue for our state. It's something that we are involved in many different ways to do an arts plus strategy. When Randy says arts in service beyond all the spiritual and inherent interests in the arts, we're solving problems at the state level that you know about. You know that California has the largest prison population in the United States, and it's a huge problem for our state. We are now administering \$3 1/2 million in the

TRANSCRIPT

anti-recidivism program going into 17 of the 19 state prisons. I just mention it just to showcase a little bit of what we're doing in an arts plus strategy. Arts and aging. Again, Randy spoke to this issue of arts of healthcare. In communities like Burbank where the arts are actively involved in senior living, again for the healthcare interests of that population. It's an area of growth for us at the State, and something that we're increasingly interested in. At-risk youth. We have ten grant programs at the State, several of which the City of Palo Alto could take advantage of. It may be even more accurately nonprofits here within your City could take advantage of. One of them is called Jump Starts which is really an attempt to focus on at-risk youth and the role of the arts in intervening for at-risk youth. When I started at the Arts Council 4 1/2 years ago, we had a \$1 million general fund allocation. We were dead last in State funding. I'm proud to say, as we move across to the right, you'll see the growth of our funding. Where we started with a budget of 5 million in total, we now have a budget of 12 million. That's a reflection, 250 percent increase in our funding, it's a reflection of what's going on with public investment in the arts as we make the case effectively that investments in the arts are investments in a wide range of possibilities. Again, at the State level, as Randy talks about on the national level, this arts plus strategy, whether it's arts and education, arts and at-risk youth, arts and health, these are ways that cities all across America are finding as good investments, as a way to solve problems. Not seeing the arts as a separate silo, but as equal partners sitting at the table as you as a City or as a community solve issues that are problems for you. Lastly, this may or may not play into your future, but AB 189 was passed this past year. A bill that we encouraged Senator Richard Bloom from Santa Monica, perhaps another comparison city to Palo Alto, who saw in his own community the power of the arts for economic development. He thought, along with us, what could we do for California cities to encourage greater cultural development. We now have the authority, because of this law being passed and signed by the Governor. By this fall we will implement a program where cities all over California can apply for designation for a local arts and culture district. With that will come marketing and branding, technical assistance and, we hope over time, direct intervention in the form of support grants as walkable, definable communities, whether it's portions of Santa Monica, Pasadena, Berkeley where your City Manager's from. These are communities all over the state that could benefit from cultural development in service to economic development. Anyway, that's really our presentation. We really want to get into this next part of the conversation. We'll kick that right off now.

Mayor Burt: Those were great presentations. Randy, I want to know which state is either the one that's gotten shortchanged or is still on your bucket list.

TRANSCRIPT

Mr. Cohen: Mississippi for some reason. I got the hard ones out of the way. I'm not sure why Mississippi's still ...

Mayor Burt: Rhyena, is what you're looking for from the Council at this time follow-up questions and discussion?

Ms. Halpern: Right, exactly. Any questions or items for discussion.

Mayor Burt: Colleagues? Council Member Holman.

Council Member Holman: I was looking forward to this. Thank you very much for coming. Several things, and I'll try to keep this as brief as possible. I was really happy to hear you said there's a State law now that supports the creation of arts districts. I've been talking about this with the City Manager last year and some people in the community. I won't ask how you apply for that; I'm sure Rhyena know. I'm interested in that. Nashville, I was (inaudible) around Nashville last November. It just really was interesting to me. I hadn't been there before. It was really interesting because everybody thinks of it as the music industry, but also the letter press and print industry is really alive and well there. It doesn't look like you're particularly familiar with Nashville's graphic—anyway I'll just mention that. It was an enlivened community. You mentioned the corrections facilities and that sort of thing and the impact there. What about homelessness? Art does change people lives; I firmly believe that. What about homeless programs or ways to address that?

Mr. Watson: We actually have a number of grantees around the state who serve that population in their locality. The LA Poverty Department, which sounds like a city department but it's actually an arts nonprofit, is involved in skid row downtown in Los Angeles. Clearly LA is in a kind of class by itself in terms of the scale and severity of the homeless community. It's worth noting what that arts group is doing. It's actively engaging the homeless community itself in theater production and in linking those theater experiences also to social service providers, almost as a bridge if you will from the arts to trying to get off the streets. The same would be true of an amazing organization called Street Symphony who last December we gave them a grant to perform Handel's *Messiah* downtown at the Midnight Mission. That's in the center of skid row. This amazing mounting of Handel's *Messiah* that combined professional singers from the LA Master Chorale and the Philharmonic symphony. It was founded by VJ Gupta who's one of the principal violinists for the LA Philharmonic. Street Symphony goes in to juvenile hall, goes into men's central jail, is working in the homeless community. Those are just some brief examples where the arts community is not only engaging with the homeless community, but finding a

TRANSCRIPT

way to build a bridge between the art experience and the social service agency connection which has also been the challenge, how do we lure, in the best sense of the word, our homeless community to take advantage of the social service benefits that we're trying to use to get them out of homelessness.

Council Member Holman: You had talked about the retail advantages, the commercial advantages. Is there any evidence or numbers that could be applied to retail areas that have more visual stimulation or more graphic elements to them or more lighting? Some of the things that we've talked about here for some time as enlivening our alleyways and some lighting Downtown in appropriate places. Do you have comments about—I even have been thinking the last several months about if we could provide some funding to help some of the retailers with their window displays. This country compared to Europe is not very advanced in terms of our window design. Are there any ways to measure kind of the advantage in terms of the businesses or sales tax dollars or whatever that an improved arts component to the retail districts might provide?

Mr. Watson: We'll both speak to that.

Mr. Cohen: This actually kind of relates back to your question about the cultural districts which are defined geographic districts, usually in the downtown typically. Communities have, they are very deliberate to make sure that if a business is vacant, they may do like a phantom gallery, what they call, where there's an art exhibit in the window. You've got to keep the energy going if you're walking downtown. People have to feel safe, and it has to be well lit. It has to be connected with hotels and restaurants and the arts organizations. In communities where that's happening, they're seeing lower vacancy rates. There's been a couple looks at assessed property values, that type of thing. The property area becomes more desirable as well because it becomes more of a destination. There are some strategies and a number of publications now on building these cultural districts to get to some of those outcomes.

Council Member Holman: What might be more applicable to this community where we don't have much of a vacancy? I was speaking more to like how we can enhance what we have through cultural visual arts.

Mr. Watson: There's a relatively new national organization called Art Place. Art Place has worked hard to try to think of creating an index, if you will, what they call the vibrancy index. I know they have a lot of inputs to looking at those communities that are using creative place-making. That is a term that we use now to get at the things that you're talking about. What

TRANSCRIPT

can we do as an intervention with the arts, whether that's for a downtown or for a business district? Next week or in a couple of weeks, I'm going to be speaking at the Main Streets Conference down in Oceanside. Is that where it is? I think that's where it is. Anyway, I'm speaking specifically about arts and culture districts. There's a real pent-up desire to get at this very question that you're asking about. The moment we announced the legislation having being passed and we put up on our website a template where cities could indicate their interest, we had 75 cities within a three-day period fill out the template and say, "I want to know about this." My sense is that people sort of know it when they see it. These downtown business improvement districts are increasingly turning to arts partners, whether it's arts nonprofits or visual arts organizations. I don't have research to quote you as to how that improves, but there's certainly a belief that the arts ought to be a strategy partner for improving the look and feel and the attractiveness. The Knight Foundation, the Knight-Ridder newspapers when they went out of business, they created a foundation. What they did is they did a study called the Soul of the City Study that was nationwide. They studied all the former Knight-Ridder cities. In California, those cities are San Jose and Long Beach. The cities that scored the highest, meaning when they asked people what is it that attaches you passionately to your city. The cities that scored the highest were those that had a commitment to beautiful places, attractive places. You could read that as parks. You could read that certainly as the beauty of the downtown, the architecture of the town, so the beauty of the city, the amount of social activities, nightlife and engagements, things that engage people, and then commitment to tolerance, the interest in different people interacting. I would submit to you that the arts plays a role in all three of those areas. Look up Soul of the City; it's really interesting research.

Council Member Holman: I thank you very, very much. Thank you.

Mayor Burt: Thank you. Council Member Schmid.

Council Member Schmid: Thanks for sharing your ideas about youth, about the labor force, about the economy. It helps us take a new perspective on things. I'd just like to lobby a little bit. I read an article, a science article, recently saying that as people age they find a greater interest in art and often talents that they did not realize they had. Given the fact we're in an aging society, would it be possible that your return per dollar spent might be the highest among seniors?

Mr. Cohen: I'd love to jump in on that. The baby boomer bubble is huge. It's going to overwhelm us if we're not prepared for it. Certainly the arts needs to respond to that. We're working internally now to think about that

TRANSCRIPT

in just the way you describe it. What are we doing to serve our aging population? There are some wonderful examples though. There's an organization called EngAGE. What EngAGE has done is develop in at least five or six California cities senior housing that has as its central feature a dramatic arts programming, so that every day a senior wakes up in those centers, they have a rich selection of art classes they can choose from in theater, music, dance, the visual arts. No surprise the evidence of those centers is that those seniors are using less medication, less visits to the doctor. They report much greater levels of happiness. All the things that are sort of a no-brainer, and yet we have not invested in. There are real world examples right now where cities are collaborating to serve our senior population in a very concentrated, powerful way.

Mr. Watson: I'm just analyzing some data now in a national public opinion and engagement survey with the public. One of the questions was we asked about people's considerations in—the importance of arts and culture when relocating for jobs especially. We did see among the younger cohort a much higher consideration and value of the arts. We hear this a lot about—of course, I imagine around here too—workers in the new economy picking the communities that they want to live in, moving there because then they figure they'll find work. Very different than when I came up. Go to whoever would have me. In terms of actual dollars, though, in audience spending pieces, certainly the tourism research shows that older Americans stay in place longer, probably spend a little bit more because I imagine they have a little more disposable income. Younger cohorts are certainly very engaged in arts and culture and spending plenty of money too.

Mayor Burt: Thank you. Council Member Berman.

Council Member Berman: Thank you guys very much for the presentation and for all the work you do. While I was growing up here in Palo Alto, my mom owned an art gallery Downtown. Even though I didn't inherit any skills or artistic talents, it's clear the impact that growing up around the arts has on your kind of disposition, I guess, for lack of a better word. Anyhow, we've had some projects in Palo Alto, some developments, including at least one affordable housing development, that generated some community backlash due to the lack of kind of artistic—artistic isn't the right word—the ugliness of the building, for lack of a better word. One thing that I've always been curious about is how can we utilize art to kind of just make that—one is on Alma. It's right across from the Caltrain tracks. It's built in a way to minimize the noise from Caltrain, and so it serves that purpose. It means that it's pretty much a big wall with a couple of small windows. From what you guys have seen in other communities around the country, are there any examples that we should be looking at or good examples that you guys have

TRANSCRIPT

seen of ways that communities have kind of used art and murals and that kind of thing to lessen the impact of development?

Mr. Watson: First of all, you have a rich and strong commitment to public art here, much more than many cities. Indeed, again art in service to an issue like that is very much alive in key places. I don't know what the best examples would be, but I know that given that question, Rhyena could find any number of possible ways to demonstrate certainly mural, three-dimensional art, the integration of art into the actual design of the building. I mean, too often what artists are asked to do is to fix something, when in fact they should be at the table at the earliest stage so that it's integrated and the design reflects that. By the way, your example of the senior housing that was ugly, again not to belabor the point, but if you look up the examples of the EngAGE projects that have been built from the ground up, these are spectacularly beautiful facilities designed with the arts integrated into every part of the, its use of colors, its use of classroom space. In one case, what was fascinating is that as an RFP they went out and asked a nonprofit theater if they would come in and if they would co-locate their theater. The senior housing developer built them a new theater with the understanding that they had no cost to have their theater there, but the exchange was then teach classes in acting to the seniors. That trade was quite remarkable. That's North Hollywood.

Mr. Cohen: Charleston, South Carolina, the mayor there just recently stepped down, Joe Riley, after about three decades. He was all about design. For 25 years, he's led the Mayor's Institute on Design with the U.S. Conference of Mayors and the National Endowment for the Arts. The focus is that it's just a deliberate choice again and again, everything. Good design doesn't really cost more than bad design; it's just about that commitment and thinking it through from the get go. Their public housing is gorgeous. They take you through the city, and you see the beautiful architecture. It really gets back to the whole city beautiful that if it's public, it should be public. It's just a top down commitment that they've stuck with for decades over the years.

Council Member Berman: I definitely appreciate that. In hindsight, we should have integrated more into the design of some of these things, but what's done is done. If you can think of any good examples where they improved the visual effect of a building after the fact, let Rhyena know and let us know. It's something I'd be curious about. Thank you guys.

Mayor Burt: We don't have other colleagues who have questions or comments at this time. I wanted to ask a little bit more about ways in which you're working with the convergence of art and technology, in particular how

TRANSCRIPT

that might be occurring with youth who certainly embrace technology and cross over there. I would just add that your slides about at-risk youth, we have in some ways different at-risk youth in our community. It's a real concern. That is youth who have just been swallowed up by academics and not having the breadth of education experience or the ample time to pursue perhaps some of their interests that they otherwise might have. I'd be interested in hearing what you're doing in those arenas and your thoughts.

Mr. Cohen: Regarding the at-risk youth, I mean number one my take is any kid with a school locker these days is an at-risk youth. I mean I take the big umbrella approach. A number of years back I did a big national study with the U.S. Department of Justice Office of Juvenile Justice and Delinquency Prevention looking at the efficacy of arts programs on at-risk youth, and we had them in different places within the judicial system. Some had been adjudicated sometimes as a first offense. Other examples, it was in a facility. What we found looking at controlled groups, young people engaged in the arts had all the things you hear about, lower recidivism rates, improved communication skills with peers and adults, increased ability to complete tasks from start to finish. There's a lot of research that really shows wherever these kids are, it's important that the arts are part of their education and their learning. I would just put that out there. In terms of technology, that's a huge issue. In fact, there's a huge churn going on now in how the public is engaging in the arts. Actually if you look at the national numbers of the share of the population going to an art museum or going to a live performing arts event, it's in a steady decline. The share of the population doing that is going down. On the other hand, we see more people engaging through technology. I mean, ten years ago we didn't even track digital downloads. If you add the Spotify and the (inaudible), that's half of the industry revenue, is online. Even the big cultural institutions, the Metropolitan Opera, I'm sure one of the movie theaters around, you can go and see the HD simulcasts of the Metropolitan Opera performances. They're in 2,000 theaters around the world, 3 million people buying tickets to that every year. Technology is certainly having a big impact on just the accessibility and how people engage in the arts. Smart arts organizations are capitalizing on that, making their product available, digitizing collections, making those online. Overall though, we see a very interesting growth in personal engagement. This sort of gets beyond the tech. This is the hands-on work. There's 250,000 choirs in this country with 32 million singing in them. There's 14 million quilters in this country based on—my mother-in-law is one. You have to have a huge machine to do it. You can't even just say, "I'm a quilter," you've got to have the right equipment to be counted in this study. In terms of that type of engagement, I think something actually we do in Washington that they do in San Francisco, Opera in the Outfield. In D.C., two years ago the Washington National Opera went out of business.

TRANSCRIPT

Placido Domingo was its artistic director. Ticket sales down, revenues down, couldn't make a go of it any more. You might say Washingtonians just don't like opera. Maybe, maybe not, because twice a summer at our baseball stadium we have a live simulcast on the big screen. Twenty thousand people show up to that. Young people, families, folks you don't see at the Kennedy Center. Again, technology engaging folks in different ways. What we see as the traditional delivery mechanisms of the arts really churning right now.

Mr. Watson: Just a quick add-on to your question and response. Right in your backyard here, you have one of the true thought leaders in the STEAM movement. STEAM, take STEM and add arts to it. Science, technology, engineering and math, but throw the arts in there, you get STEAM. This is really a national movement to remind all of us that as important as the STEM subjects are, the arts is really another way to solve problems and build a fuller student experience and one that will attract students in a way that perhaps the other subjects struggle at times to. In your backyard, you have John Maeda. He was hired by Kleiner Perkins specifically to come from the East Coast. He was President of Rhode Island School of Design, one of the preeminent design and art schools in the world. What his goal in joining Kleiner Perkins was is to look at the role of the design professional and design thinking within all of the tech companies. You could invite him to do a speech in this town to talk about that question of technology and the arts and how those things come together. STEAM is a very important area. Increasingly those kids that are so challenged because of the academic pressures they're under, they are still each day doing something creative, I would call curatorial. They do it almost by the second by their smart device, whatever it is du jour. The challenge is how do you take that intense interest in communication and this handheld technology that all of our children have and help them see themselves more creatively. One of the things that we funded recently is something called Student Voices, which the California Alliance for Arts Education has now a statewide contest going on asking young people to submit two and three-minute self-produced videos created on their cell phone about what's creative in their school and why is that so important to keep alive in the school as something that brings them back each day to school. Something to give them that outlet that your question, I think, implies, is how do we bridge to those kids that are so stressed out over all this pressure.

Ms. Halpern: I think Craig and Randy wanted to make each a closing comment about the role of the public sector in the arts. I know both of them in just talking and planning for today have been really impressed by the number of cultural civic amenities we have here in Palo Alto and the

TRANSCRIPT

programs that we have, the educational offerings we have for youth, etc. They both wanted to comment on that, and we'll close.

Mr. Watson: I'll just jump back on, and then hand this off to Randy for the real close. You heard me give some examples of some other cities. It's true that Palo Alto has so much going for it that so many other cities just don't have the same set of assets, the same sort of leadership that you have. I think it's interesting to note that you have chosen over the period of time not to go a little deeper with public support. You do it in all kinds of ways. You have City-owned facilities. You subsidize artist studios. You care deeply about the arts, and you show that through your public art and other things. I would challenge you, though, to look at what some of the other cities are doing in not necessarily huge ways. In fact, you can put your foot in modestly and grow it over time. Just as you invest in social service agencies, the question is how could you invest more in your nonprofit sector. It's one thing that I think Randy and I noted that as progressive and as exciting. This arts community exists here because of your support. You're big enough, you care enough about this, you do it in other ways. What would it take to do more public investment directly to your nonprofit sector? We've found it's not the size of the grant, it's the imprimatur of support that then they can leverage into other funding from other sources. It's a way to say not only does the National Endowment care about us, not only does the California Arts Council care about us, but our local city sees the quality and invests in us.

Mr. Cohen: Actually that was a great wrap. I don't have much add to that. I completely endorse that. I would just actually augment and say that direct investment—nationally we see more than half of the nation's cities providing direct support to arts organizations and to artists as well. That's sort of the one piece I'd add to that. When you make that direct investment in your arts organizations, in your artists, that's when you see not just the cultural benefits, but really that great ripple throughout the community of how the arts are improving our lives socially, educationally, economically. That's where the benefits are. I want to echo that there's just so much going on here. This is a city, and your leadership is really something of great envy. Everything you do to advance the arts is important. You're all important for doing it. Thank you.

Mayor Burt: Thank you very much for joining us. It was very informative.

TRANSCRIPT

Special Orders of the Day

2. Community Partner Presentation: West Bay Opera at the Lucie Stern Community Theater.

Mayor Burt: Our next item is Special Orders of the Day which is a presentation by a community partner, West Bay Opera located at the Lucie Stern Community Theater.

Rhyena Halpern, Community Services Assistant Director: It's my pleasure again to introduce our presenter. We have tonight with us Jose Luis Moskovich who is the General Director of West Bay Opera. He's been the Director since 2006. Under his leadership, the company began a turnaround, eliminating operating deficits and returning to financial stability. As you know, the West Bay Opera is one of three of our theater partners who performs at the Lucie Stern Theatre. With that, I'll turn it over to Jose Luis.

José Luis Moskovich, General Director, West Bay Opera: Good evening, Mr. Mayor, members of the Council. It's a pleasure and a privilege to be before you again. Happy new year. As Rhyena has already said, we are the local opera company. We are currently celebrating our 60th anniversary. We started performing at the Lucie Stern Theatre 57 years ago. I have a very short presentation I'd like to show you. Sixty years doing opera, the second oldest opera company in the West in continual operation after the San Francisco Opera. What's the secret of our staying power? It's the three keys to our success. We put on quality productions and engage top artists. That's not something we started doing lately or on my watch. This was really the hallmark of the very first productions put on by the founders of the company, Henry and Maria Holt, back in the 1950s. It does take high quality productions to attract an audience and attract donors, especially to create the sense of civic pride that I believe is so important in getting people to support the local performing arts. We bring outstanding stage directors and conductors and designers for all of the areas of design that are involved in opera, costumes, sets, makeup, lately video projections, the things that technology brings in, and singers that are active nationally and even internationally with companies like the Met, like Chicago Lyric, like Houston Grand Opera and many others, and some international artists as well. As a matter of fact, the production we have later this month, opening on the 19th, the lead soprano is somebody who sang at the Bolshoi Theatre in Moscow. These are people that are high quality artists we're bringing to the community. Many of them actually live here. The second key to our success is our community engagement model. For every production, we have over 100 people involved. Many of whom are volunteers from the community.

TRANSCRIPT

The idea is that we pair volunteers alongside the pros so that they can learn and be trained. In the process, they save us a ton of money on operating expense, but they help us generate a very, very high quality product. That's what allows us to actually present productions that companies several times our size cannot afford, because we have that engagement. Those volunteers get registered with Foothill College, and they get credit toward their degrees. They help spread the word about the productions in the community, and they bring their own families to see what we're doing. That explains our over 400 community donors and our more than 500 community subscribers to our season. The third key to our success is of course the access we have to the Lucie Stern Theatre and its staff which saves us again a tremendous amount of money in venue rental, and gives us a theatre that's equipped with what we need to present fully staged opera. Our thanks to the Staff and of course to the City of Palo Alto for giving us that resource. Of course, we look forward to many more years of collaboration. For 2016, I want to highlight a couple of strategic focus areas. One is we want to expand our Opera in the Schools Program, a program that now reaches over 20,000 school children every year with an abridged 40-minute long opera that we present in English but with costumes and with opportunities for the children to be actually on stage and engaging in the experience of what opera really is, with professional singers, with portable sets and with a professional accompanist. The other thing we are trying to do is improve our own building. The Holt Building which was actually donated by the community to the company in 1982 needs improvements, of course, after 40 years of service. We're well underway with a campaign to raise money to improve the building and to establish also an endowment that might help us weather the ups and downs of the economy. On the issue of education, I should point out also that we are trying to energize a partnership with high schools, not just grade schools, with the idea of engaging teenagers in some areas of technology including robotics, video production, and video games as applied to anything related to opera production. We think those are areas where the kids can come in from an area of interest or strength of their own and discover a whole world 400 years old of richness in the cultural layers that opera has. Last but not least, our next show coming up now, Eugene Onegin, Tchaikovsky opera based on a Pushkin novel and verse. We're presenting it in Russian, opening on the 19th with a free preview on the 11th at the Lucie Stern Ballroom. We encourage you to come and see it. We have a phenomenal cast and very, very interesting setting for it. You can see the contact information on the screen. I think that—we may have one more thing, but I think that covers—that's it. Contact information, and you have a copy of the postcard on your desks. Happy to answer any questions. Thank you very much for your time and your attention.

TRANSCRIPT

Ms. Halpern: I just wanted to add that we did have a soloist coming tonight, who woke up with a sore throat, who had to bow out. I'm very sorry about that. Next time.

Mayor Burt: Thank you very much for your presentation. It was very informative. Council Member DuBois.

Council Member Kniss: Which one?

Council Member Berman: Council Member DuBois first, and then you.

Council Member DuBois: Thank you very much. I actually just had a quick question about the Lucie Stern Theatre. How are the facilities, particularly back stage? Does it need some investment and rehabilitation?

Mr. Moskovich: I welcome the question. It's a venerable, old facility that has undergone some improvements over the years. For an opera company, we could use more dressing rooms. We could use a bigger pit for the orchestra. I see that that could be seen as an anachronism, but opera requires at least 25 players in the pit. We have them, but we create the illusion of opera by putting the players that don't fit in the pit in the back of the theater, piping the sound in and doing a really extraordinarily good sound mix so that it seems as though it's coming from the pit. You imagine the amount of extra effort that that requires. There are things that could be done. We realize that there are many different priorities, competing priorities. That would make the theater fantastic for us. We are counting our blessings always, but we do have a list of improvements that we could easily share with you.

Mayor Burt: Council Member Kniss.

Council Member Kniss: Just to say I am so disappointed your soprano didn't turn up. I've heard your presentations many times, and they are wonderful. You have some spectacular voices, and they do a terrific job. I was so hoping that there would be a show and tell tonight. Another time.

Mr. Moskovich: Definitely another time. Whenever you want, we'll be happy to come back.

Council Member Kniss: Thanks so much.

Mr. Moskovich: Thank you.

Mayor Burt: Thank you very much.

Ms. Halpern: Thank you.

TRANSCRIPT

Agenda Changes, Additions and Deletions

Staff requests Council hear Agenda Item Numbers 13- Approval of a Twenty Five (25) Year Lease... and 14- PUBLIC HEARING: Adoption of an Emergency Ordinance... before Agenda Item Number 12- Adoption of an Ordinance to add Section 10.50.085...

Mayor Burt: Our next order of business is City Manager Comments.

James Keene, City Manager: Are we going to do Agenda Changes?

Mayor Burt: Sorry, you're correct. Under Agenda Changes, current Item Number 12 has apparently five Council Members who have conflicts of interest. We'll have a process for drawing straws to participate under State law in that circumstance. What we wanted to do as a result of that is move Item Number 12 to become new Item Number 14, following 11, 13 and 14 as numbered on the Agenda. Item 12 becomes new Item 14A, I guess, is the proper way to do it.

Mr. Keene: Thank you, Mr. Mayor. I think one of the reasons for that in addition was both Items 13 and 14 are scheduled as short discussion items by the Council, and the sort of thing you could get through pretty quickly.

Council Member Holman: I put my light on.

Mayor Burt: Council Member Holman.

Council Member Holman: I just wanted to make sure that someone had notified the Museum of American Heritage to show up so much earlier.

Mr. Keene: We did reach out and let the—Staff was supposed to do that. We'll check and see. You'll probably spend a little time on Item Number 11, so that will give me the time to check.

Mayor Burt: Council Member Schmid.

Council Member Schmid: Do you need a Motion?

Mayor Burt: We're okay.

City Manager Comments

Mayor Burt: Now City Manager Comments.

James Keene, City Manager: Thank you, Mayor and Council Members. A few things to report. You have a lot on your Agenda; I'll zip through these.

TRANSCRIPT

First of all an update on the CDC, the Center for Disease Control, visit to our City. Last week we had a good meeting of the Project Safety Net collaborative which, as you know, includes students, parents, community organization leaders, educators, health providers, elected officials and City representatives. The group got the opportunity to meet Mary Gloner, the new Project Safety Net Director, as well as hear more specifics about the upcoming Centers for Disease Control, what is called an Epi-Aid investigation that will examine the matter of youth suicide in our community. The County of Santa Clara Public Health Department is the lead regional agency as is the practice when a federal agency such as the Center for Disease Control is called in. Dr. Sara Cody who is the Health Officer and Director of Public Health Department and Dr. Pam Stoddard who is the Director of Research provided the context to the assembled folks last week about the history and the purpose of the Epi-Aid which is essentially a model used for the investigation of an urgent public health problem. We're currently in the data-gathering stage. It will inform the work, and the CDC field team is expected to be in our community for about two weeks starting mid-February. We've been working closely with the School District and both myself in my role of City Manager and Max McGee as the School Superintendent have been actively involved with the community and mental health organizations on this effort. We will be posting updates on the CDC visit and other FAQs on the Project Safety website which is psnpaloalto.com. So far we've gotten just about the right amount of rain and not storms that have done damage this year. It is that time for the next phase of look at our City storm drains themselves and per Council's previous direction, last week I appointed an 11-member blue ribbon committee of Palo Alto citizens to advise Council on the future of the City's storm drain program. The committee consists of Palo Altans from across the community who have varying interests and areas of expertise. They will meet regularly with our Public Works and other Staff from February through mid-April to review the current status of our storm drain program, study and prioritize future needs and recommend a set of storm drain capital projects and programs for the coming years along with a funding plan. The committee's recommendations will be forwarded to Council in late spring 2016 for formal consideration. As you know, the City's storm drain program is funded through user fees which are collected on monthly utility bills, and then they're deposited in the Storm Drainage Fund which is an Enterprise Fund independent of the City's General Fund. Storm fees are subject to the provisions of State Proposition 218 which requires that new or increased property-related fees be approved by local property owners, so a ballot measure would be in order. We will continue to work with the committee, and I look forward to presenting their recommendations to you in late spring for your consideration. Two other things. Just a preliminary notice of utility rate increases in Fiscal Year 2017. This week the Utilities Advisory Commission will review preliminary rate

TRANSCRIPT

adjustments projected for the next five years, and then the City's Finance Committee will review them in March. Currently, our Utilities Staff is forecasting rate increases for the electric, gas, water, wastewater and refuse services effective July 1st, 2016. In last year's five-year rate projections, the City projected increases in all funds, but the current rate projections are slightly higher than those projected last year. The primary cost driver for rate increases is the result of the ongoing drought conditions which have reduced our hydroelectric supplies requiring the City to purchase replacement electricity supplies. As the Council and most of our community knows, regularly about 50 percent of our electricity is provided through hydroelectric power. The drought equals less water equals less power, and we've got to purchase on the market backup power for our electricity needs. Water savings have reduced our revenues and increased the cost of water from San Francisco. The City has drawn down reserves over the past few years in order to offset rate increases to the electric and gas utilities, and now facing lower reserves and higher commodity costs, we will be looking at raising rates to cover the costs, many of which are fixed to operate and maintain our safe and reliable services. Ultimately of course, the Council will consider these when you discuss and adopt the Fiscal Year '17 Budget process which will begin in May with Finance and come to the Council. Lastly, I would just comment that I thought the Council had a good Retreat this past weekend. You worked through a lot of different items and established your priorities for the upcoming year. You may speak to that a little bit at the close of the meeting on Council Member Comments. You gave us some work to come back to the Council on, and we'll be summarizing some of the results very quickly for the Council and returning to you and the public with the results of the Retreat and some next steps. That's all I have to report. Thanks.

Mayor Burt: Thank you.

Oral Communications

Mayor Burt: Our next item is Oral Communications. This is an opportunity for members of the public to speak on items that are not otherwise on the Agenda. We have two speaker cards. The first one is Dan Garber, and the second one is Norman Beamer. Mr. Beamer, I assume you're meaning to speak on Oral Communications and not an item yet to come. Welcome.

Dan Garber: Hi. I wanted to follow up on my query from the Retreat on Saturday and specifically on Council Member Schmid's suggestion to help the CAC in their work by staging discussions that are of importance preceding the CAC's work. I'd like to encourage you to do that. My Co-Chair is out of town this week, but when he comes back he and I will get together and

TRANSCRIPT

come up with some suggestions of our own for you to consider. My understanding is that you will not have an opportunity to speak about this until February, thereabouts. We'll work with Staff as well to see if there are other suggestions that could be adopted and modify the schedule as we go forward. Thank you.

Mayor Burt: Thank you. Our next speaker is Norman Beamer.

Norman Beamer: I wanted to mention some ideas that I had that indirectly relates to a later Agenda item but not directly, and so I think it's appropriate to talk about it now. I understand there is a situation where a number of people are conflicted out of the later Agenda item that is considering the parking, the RPP program. It seems to me that the Council should take a step backwards, revisit the general ordinance that was passed back in December of 2014, I believe, which was a Citywide ordinance and thus the entire Council was able to discuss it and deliberate on it and vote on it without a conflict arising. Go back to that ordinance and change it so that—make findings that recognize the entire City is either presently or soon will be in a situation where nonresident parking can be a problem basically anywhere in the City or at least in a wide variety of neighborhoods in the City whether it be from Downtown or California Avenue or El Camino or Stanford Research Park or neighboring towns from East Palo Alto or Menlo Park. Nonresident influx of parking, recognize that's a problem and allow any block in the City to, through a simple petition process, opt into a College Terrace type of resident-only parking permit program. The entire Council could do that, and then they would be done with it, and it would just be a petition process on a block-by-block basis. Thanks.

Mayor Burt: Thank you. Our next speaker is Christian Pease, and Mr. Pease will be speaking on behalf of more than five additional cardholders. You're welcome to take up to ten minutes.

Christian Pease speaking for numerous members of the public: Thank you. I hope not to take ten minutes. My name is Christian Pease. I live on Park Boulevard in Evergreen Park which, as you know, is a small neighborhood. It's only three by five blocks; it dates to the days of Mayfield. We're here tonight because we have a growing commuter parking problem. We've come to submit a proposal for your consideration and for the record. We're asking you tonight to designate by resolution Evergreen Park as an eligibility area for annexation into the existing and contiguous January 2010 College Park Residential Parking Permit Program or RPP. Evergreen Park was originally intended to be part of this RPP. The Stanford University general use permit of December 12, 2002 substantiates this. Our proposal also includes a completed parked car count and a petition in support of it signed

TRANSCRIPT

by 250 residents of our neighborhood. Our neighborhood is now at risk of becoming the Evergreen Park commuter parking zone ironically as a consequence of efforts to mitigate inbound car commuting and encouraged use of public transit to and from the so-called transportation rich and rapidly developing California Avenue business district. First, high-priced Stanford parking permits and second the promotion of increasing growth in Caltrain ridership not only inbound to Palo Alto but outbound. Stanford commuters and Caltrain riders are increasingly parking in our neighborhood to avoid Stanford and Caltrain Station parking fees. That leaves Evergreen Park as the only free and convenient all-day and all-night alternative for parking that's available. This is out of balance and it makes no sense. We ask the Council for our help tonight before the Evergreen parking lot is a fact on the ground that would predictably spur an expensive, time-consuming and contentious process in search of mitigation, one that we believe is likely to leave our little neighborhood materially and negatively impacted no matter what. This does not have to be. Allowing all Evergreen residents to decide whether they want to join the College Terrace RPP is practical, it's fair and it's cost-effective. This RPP is established, it is successful, and Evergreen Park was intended to be part of it. No costly studies or consultants or heavy City Staff workload should be required. Much of the work has already been done. Our City Manager has said that most of us living in Palo Alto should not be concerned, should actually be unconcerned with the direction of change in our City, because it will have no impact on 85 percent of our neighborhoods. Maybe he's right, and maybe he's not, but we're pretty darn sure that our tiny corner of Palo Alto is right in the middle of the 15 percent that will be affected and impacted whether that's 15 percent, 10 percent, or 20 percent. We'd like to make it clear that we're not NIMBYs. We have no wish to pass this problem onto other places in the community. Tiny Evergreen Park should not by default suffer this unreasonable burden because of action taken ironically and supposedly to reduce the very problem we now face. In closing, we would like to ask you to do the right thing. What we mean by that is to be responsive to the proposal we're submitting tonight and to be responsive in a direct and timely way. We would like you to vote on allowing us to vote ourselves on whether we join this RPP. More than anything, we would like you not to abide by any arguments or cases that are made to make our proposal seem more nuanced and complex than it actually is. However you vote, that's fine. We just want you to vote so we know that you will be responsive to us and a decision will be made and we know where we stand. With that, I would thank you for your consideration and say good evening.

Mayor Burt: Thank you all for attending. Just for future reference, one of the things that we do is discourage applause or booing because it actually intimidates people who may want to come and speak, who may have a

TRANSCRIPT

differing viewpoint. Thank you all very much for attending. We certainly recognize that those of you who were standing were supporting the speaker. I have three more cards, and we're closing any additional speakers who want to speak on public comment period. Our next speaker is Irene Au, to be followed by David—I'm sorry. Is it Sehron?

Irene Au: Hi. I'd like to thank my neighbors for coming out here to support the RPPP program. I'd just like to add a few more comments to give you some color into what it's like to live in Evergreen Park, a picture of what it's like for daily life. I've lived in Evergreen Park since 1999 on Oxford at Ash. My two parents live with me and my family. My father's 70 years old, and last week he came home from the grocery store in the middle day, literally could not find parking until he reached Stanford and Birch. That's quite far for a 70-year-old who has only one lung that operates, with four bags of groceries. We literally feel trapped in our own home in the middle of the day, because we are scared that when we return from wherever we go that we can't find parking on the street. We live in an R-2 zoned home, so I have the driveway to park two cars, and then my parents also need to park somewhere. We witness people parking their cars in front of our house for weeks at a time. They bring their luggage, and they take Caltrain to the airport. The neighborhood has become a long-term parking lot for SFO. The increased traffic into our neighborhood has made the streets less safe and subject to more solicitors. Over the last two weeks alone, I've been approached by nonresidents knocking on our door or cornering me in the driveway asking for money or support. I don't feel safe in my home anymore. Another unfortunate consequence of the parking problems is that it's sort of led to greater hostility between residents as we compete for parking on the streets. My neighbors are really lovely people, but it's led to people kind of hoarding spaces with their garbage bins. When very well intentioned people like my husband's uncle tries to move the garbage bins because they're turning the wrong way, he gets yelled at by the neighbors because people just have the scarcity mentality. It's not a great feeling. It's not a great neighborly feeling. I plead with you please to consider this proposal. Thank you for your consideration.

Mayor Burt: Thank you. Our next speaker is David Sehron.

David Shrom: Shrom.

Mayor Burt: Shrom, there you are. I just couldn't make out your writing.

Mr. Shrom: Hi. I want to add some historical perspective. I moved into this neighborhood in the early 1970s, and at that time the streets were parked only with resident cars. There was ample parking in the business

TRANSCRIPT

district thanks to the business district parking assessment. Life was good. Stanford was a tiny little university on the West Coast that most of what's on the East Coast had barely even heard of. They took care of their own parking on campus. Over the last 40 years, things have changed. As they've changed, I and my neighbors have come down and pled with you and no fewer than ten prior Mayors and asked you to please alleviate the situation before it became intractable, before those who were invested in reaping the benefits of the externalized costs, whether they be builders, lessors or employees, represented a countervailing force large enough that the neighborhood's interests were going to be at risk in an open public hearing and a democratic process. For 20 years, for 40, the problem has grown worse. For more than 20, you guys have shrugged your shoulders and said not now, not yet. When? When it's not possible for anyone to park on the street as a resident, if he wants to come home for lunch with his kids? When? I've watched. I've watched the process in Downtown North and now in the rest of Downtown. It's frankly an embarrassment. We're supposed to be a forward-looking, progressive, effective City of high IQ people who can achieve things. The fact that we drag out something like this for months or years and then resolve it by appropriating half of the public space on neighborhood streets that were designed and built solely to provide access to the adjoining properties, not as auxiliary parking for adjacent commercial zones. We steal that from the residents and award it to people so that they can profit more with what they build here or businesses they operate here. It's so grossly unfair, so anti-American, so contrary to both republican and democratic ideals, though I don't know how Trump stands on it. It's really just nothing short of shameful. This is really something you guys can solve just by granting the request we made. It's supported by historical fact and by reason and by the actual observable facts on the ground. Thank you.

Mayor Burt: Thank you. Our final speaker is Samina Faheem.

Samina Faheem: Good evening everybody. I live on a tiny streets in a tiny Evergreen neighborhood. I'm off of El Camino where our old Foster Freeze used to be, if you're familiar with the area. Now there are two giant buildings with two apartments and many, many medical offices. Their parking lot does not support what businesses they have. I think they have fewer parking lots than their own employees. My house is the only one before the dead end. Last two years, I have been struggling even more because I have been in an auto accident, and I am unable to carry bags just like somebody said, groceries and all that. Can't find parking in front of my house. I have to walk streets to just first come, unload, go, park my car, come back and do that. On top of that, when my car is parked there, people are so careless. They hit my car last year, and the damages were about

TRANSCRIPT

2,500 to 3,000 which being an activist I couldn't afford. One of the major cause was that the mirror was gone from the driving-side mirror. I drove my car six months without that because I couldn't afford it. Finally, I paid from out-of-pocket, got the mirror replaced, but the dent in my car is still there. I can deal with that, but it is really difficult because this has been—I feel like I'm not living in Palo Alto; I'm living in a parking lot. That's really very hurtful. Please, we urge you to do something about it. When there is a building that people are asking you to approve, you should really, really check how many parking lots they're going to need and ask them to provide that. Maybe they can have a shuttle, shuttle their employees' cars somewhere else and bring them back and forth. Whatever they need to do. Please help us. Thank you.

Mayor Burt: Thank you. I just wanted to let speakers know the Council is not permitted by law to deliberate and discuss items that are not on the Agenda. This one is not agendized. We, as you may be aware, have a subsequent residential permit parking agenda item, so we can't hold discussion on this tonight. I just wanted to make sure you understood that law. Thank you all very much.

Consent Calendar

Mayor Burt: Our next item is our Consent Calendar. I'll let those who want to shuffle out do so. We're now proceeding on the Consent Calendar. We actually have three members of the public, perhaps a fourth, who wishes to speak on the Consent Calendar. If anyone else wishes to speak on the Consent Calendar, they need to come forward now. Our first speaker is Annette Glanckopf, to be followed by Sheri Furman. Both of these speakers are speaking to Item Number 10.

Annette Glanckopf, speaking regarding Agenda Item 10: Good evening, Council Members. I am asking you to remove the disaster resilience from the scope of Cool Cities. Please pull Cool Cities. Thanks to everyone, including our City Manager, who spent the time to send me emails and talk to me about this item. Community engagement is very, very important. I think this last Agenda Item was a great example of that. I've been told that the Cool City focus is not really on emergency preparedness and that you could easily carve up the maybe up to 32 action items related to disaster resilience. We have a robust community resilience with our emergency preparedness program in place through the Emergency Services Volunteers. The program is all hazards and addresses FEMA's whole community best practices. I would caution us forcing an external program into our ESV program as duplicative and not coordinated. The topic of our recent keynote ceremony was sea level rise and illustrates how the ESV program is

TRANSCRIPT

cognizant of environmental issues. We're also involved with the City task force on seismic safety. A key requirement for our block preparedness coordinators is to know where vulnerable neighbors are and to help every neighbor in their sphere of influence to be prepared. If there's anyone who wants to be part of this effort of making our City more resilient, I invite them to join our efforts. Our next training for block preparedness coordinators is March 2nd at Lucie Stern at 6:30, and our cert training starts in April. We're starting to plan our annual community preparedness event. The memo at places talks about leveraging programs such as the emergency preparedness program volunteers. The MOU between the City government and the Empowerment Institute calls for Phase 2 to include 20 blocks with supportive community groups. What community groups does the document refer to? Is this the ESV program or are there additional groups? Our leadership group has just set our goals for the year. In doing so, we recognize how difficult it is to obtain and retain volunteers. To this end, we're not willing to add an additional non-disaster emergency prep role to the BPC program; although, there are many people that might want to adopt Cool Cities. We cannot expand our scope as it will drive away our existing volunteers and prevent others from joining the efforts. In closing, I'm not asking you to forego Cool Cities. I'm just asking that E Prep not be part of it.

Mayor Burt: Thank you. Our next speaker is Sheri Furman, to be followed by Herb Borock speaking on Number 3.

Sheri Furman, speaking regarding Agenda Item 10: Good evening, Mayor Burt, Council Members. I want to start off by saying I am not a climate change denier by any means, but I have issues with this proposal. You all got my email outlining some of them. My question to you is I ask that you pull this off the Consent Calendar and actually have a robust decision of whether this is the best way to talk about climate change and environmental issues. In looking over some of their table of contents, some of this stuff is frankly so sophomoric as to be laughable. We are way ahead on our awareness and everything. They have things like cleaning up after your dog and stuff like that. As you just saw from all the people that came here about our traffic issues, I think we have far more pressing problems in this town to devote our time and resources to. I worry about whether trying to coerce people on a block to get involved in such a broad range of topics such as this is really going to be successful and if there are not other ways. In my 20 years of working with PAN, MRA, various community things, the thing I've found is you can't make people do things they're not interested in doing. They get involved with affinity groups. If they want to get involved with the environment, they will. If they want to get involved with sports, they will do that. You can't make them. I don't want people on a block feeling that

TRANSCRIPT

they're going to be shunned or thought badly of if they choose not to participate in this. I'm just saying I'm—we tried this before with the low carbon diet on a neighborhood and block-by-block basis, and that went nowhere. Whatever you decide you'll decide, but I want you to discuss—no respect, Jim. I understand the goals of this. I'd like you to have a discussion of how can this—will it be successful and especially under the parameters or the model that the Empowerment Institute or whatever it's called is suggesting here. I sincerely have my doubts. If we want to try it, then we will. Please at least have a discussion about the merits of this. Thank you.

Mayor Burt: Thank you. Our next speaker is Herb Borock speaking to Item Number 3, to be followed by Stephanie Munoz, our final speaker, on Item Number 8.

Herb Borock, speaking regarding Agenda Item Number 3: Thank you, Mayor Burt. Good evening, Council Members. I had a letter at places, and I appreciate Staff's response on such short notice. I do have the following comments on Staff's response. First in regard to the language on packet page 36 regarding the Infrastructure Plan, Staff's comment is that the transmittal letter is referring to a broad range of funding options which are up for consideration. However, the language in the Comprehensive Annual Financial Report at packet page 36 says that these projects will be funded by certain things. I don't think those two statements are the same thing. Staff's language would be better than what's in there now. The second comment refers to the Fiber Fund. Staff says that there were no Capital Improvement Programs in the Fiber Optics Fund in Fiscal Year 2015. I thought that each year that there were two CIPs for fiber, one for a Capital Improvement Program that was reimbursed by customers and the other that the City did on its own to extend the fiber optic backbone without reimbursement. I don't recall whether any of that's been spent or not. I thought that each CIP including the one for 2015 did include both of those CIPs. You've received quarterly reports from the Utilities Department that would show the occurrences within the Fiber Fund including the capital improvement dollars. The final comment to respond to has to do with how and whether employment at Stanford University campus on the other side of El Camino Real, that is not the hospital and is not the Children's Hospital and is not the shopping center and is not the Research Park, but is the campus that's in unincorporated Santa Clara County, is now appearing as employment in Palo Alto in this statistical section of the Comprehensive Annual Financial Report. It did not in the past, as I indicated. The footnote to the table on packet page 197 indicates the data sources are unreliable. Surely any of us who have been here for a while know that the people working at the Stanford campus are not working in the City of Palo Alto. I'm

TRANSCRIPT

surprised that that number continues to appear in this document. In the past, it did not appear. We may even have the very same Staff people in Administrative Services that (inaudible) a responsibility for it, and somehow the number changed. Thank you for giving me the time to elaborate. Thank you.

Mayor Burt: Thank you. Our final speaker is Stephanie Munoz.

Stephanie Munoz, speaking regarding Agenda Item Number 8: Good evening, Mayor Burke and Council Members. Thank you for letting all of us speak. I want to speak to the prospect of giving raises to the best paid employees that we have. With the notion, I would like to introduce you to the notion that there would be better ways to express our appreciation for the excellence and the dedication that these public servants provide. For one thing, the improvement of income up at the very top level is proving not to be as productive as one might think. There's a national conversation going on right now whether the way that we distribute burdens and benefits is in reality helpful to our economy. There was a documentary about Robert Reich, the former Secretary of Labor, was over at Stanford, part of the UN documentary series. There was this guy; he owned a mattress factory. He makes a lot of money. He's really rich. He wasn't complaining about rich people and poor people, but he said, "If you think that I'm being rewarded for making jobs, you have another think coming. I make mattresses. No matter how much you raise the salaries of the 1 percent or the 10 percent, it's not going to do me any good. I'm not making jobs from that." No matter how much he makes, he can only use one mattress. It's those people out there, those other consumers, the people on the low end of the scale, those consumers that are making the jobs. I would like to suggest that you think about rewarding these people who have been so valuable to us with putting solar on their houses, for instance. That would bank them an extra 200 a month, and it would be a benefit to the City. Or you could buy them electric cars. You want the rest of us to pay for electric cars by putting in plugs that will hold them. You could get these people whom you wish to reward and appreciate, you could get them an electric car. Or you could get a chauffeur and pay a low-paid person to come around and collect them in the morning, so that they wouldn't have to give out so many emissions from their cars as they drive to work. Or better yet, you could employ a lot of halftime people to help this Staff who are working very hard, so that they wouldn't have to put in so many long hours. Thank you.

Mayor Burt: Thank you. I see that we have at our places some Staff responses on some of the issues related to Consent Calendar. Before we entertain a Motion, would Staff like to share any of that with us?

TRANSCRIPT

James Keene, City Manager: (inaudible)

Mayor Burt: One was a set of corrections in response to Mr. Borock's comments. The other was the City Manager's response to Item 10.

Mr. Keene: I don't know if Lalo wants to come up here in response to the responses on Agenda Item Number 3. I would say that actually this would almost be a departure from our practice to get wide-ranging questions like this from the public on an item about two or three hours before the meeting, and the Staff respond to them in the depth that we did. I don't know if, Lalo, you can help us. The item is really designed to close the Comprehensive Annual Financial Report for Fiscal Year 2015. It's been through our review process. I think our outside auditor has taken a complete look at the Comprehensive Annual Financial Report. As it relates to the financials of the City and the requirements that must be met to satisfy the closing and issuing that report, it has met all of those tests. I'll turn it over to Lalo. I'd be a little bit lost to be able to tell the Council for what reason you should not go ahead and approve the report.

Mayor Burt: We have at our places a memorandum from Lalo principally with a number of corrections that Staff acknowledged. At a minimum, I was assuming that those were ones that you're recommending that we would act on.

Lalo Perez, Administrative Services Director/Chief Financial Officer: Yes, we would recommend those. Lalo Perez, Chief Financial Officer. Thank you, Mayor Burt. While we appreciate that somebody's paying close attention to our material which are very important and acknowledge the comment, the numbers do not change in our financials. The financial position of the City is stated correctly in numerical format. We did have a couple of wording or mislabeling in one area where we said we were increasing a net decision when it was actually decreasing, but the numbers do not change. There were a couple of additional comments that were made during the speaker's time, and he mentioned that the Fiber Fund in terms of CIPs. Just because you have a CIP budgeted, that doesn't necessarily mean that there's an expenditure or an adjustment. That's what was our point. In terms of the Stanford data, it is a data set that is difficult to obtain. I don't believe that if I'm calling Stanford that they're going to be willing to break out the numbers for us between which parts are in town and which ones are not, so we used a general data set. Consultant that gives us the information, and that's why we caveat it. We'll continue to look and see what else we can find, but we recommend that you take the changes that are not material nor numerical in consideration with the approval.

TRANSCRIPT

Mayor Burt: Now we'll proceed to consideration of the Consent Calendar. Do we have a Motion to approve? Vice Mayor Scharff.

Vice Mayor Scharff: I'll move to pull ...

Mayor Burt: You need your mike.

Vice Mayor Scharff: Sorry. I'll move to pull Item 10.

Council Member DuBois: I'll second that.

Mayor Burt: That is ...

Vice Mayor Scharff: Then I'll move to pass the Consent Calendar with the corrections noted in Lalo's memo.

Mayor Burt: We need three members to—three, correct. First I was stating the number. We need three members to remove a Consent Calendar item, and we have Vice Mayor Scharff, Council Member DuBois and Council Member Holman wishing to pull Item Number 10. The balance of the items are moved to be approved with the adoption of the word changes to Item Number 3 that were at our places and which Mr. Perez just summarized.

MOTION: Vice Mayor Scharff moved, seconded by Council Member DuBois, third by Council Member Holman to pull Agenda Item Number 10-Agreement with Empowerment Institute... to be moved to a date uncertain.

MOTION: Vice Mayor Scharff moved, seconded by Council Member DuBois to approve Agenda Item Numbers 3-9 including corrections contained in the At Places Memorandum for Agenda Item Number 3.

3. Budget Amendment Ordinance 5378 Entitled, "Budget Amendment Ordinance of the Council of the City of Palo Alto Closing the Fiscal Year 2015 Budget, Including Authorization of Transfers to Reserves, and Approval of the Fiscal Year 2015 Comprehensive Annual Financial Report (CAFR)."
4. Approval of the Fifth Amendment to Extend the Lease With Thoits Bros., Inc. at 285 Hamilton Avenue, Suite 100 for a Period of 14 Months and Approval of the Second Amendment to Extend the Sublease With Thoits Bros., Inc., 285 Hamilton Avenue, Suite 200 for a Period of 14 Months for use by the City Development Center.
5. Finance Committee Recommendation for Council to Review and Accept Information on the new Government Accounting Standards Board Pension Reporting Standards Known as GASB 68.

TRANSCRIPT

6. Approval of Police Department Purchase of Multi-Band Portable Radios for the Police and Fire Departments in an Amount not to Exceed \$625,000.
7. Amend the Fiscal Year 2016 Adopted Municipal Fee Schedule to add a Secondhand Dealer Licensing Fee.
8. Adoption of Annual Amendments to the Employment Agreements Between the City of Palo Alto and Council Appointed Officers (City Manager, City Attorney, City Auditor and City Clerk).
9. Ordinance 5379 Entitled, "Ordinance of the Council of the City of Palo Alto Amending Palo Alto Municipal Code Chapter 4.60 (Business Registration Program) to Exempt Very Small Businesses, Very Small Non-Profits, and Religious Organizations With no Ancillary Business on Site From the Business Registration Program (FIRST READING: January 19, 2016 PASSED: 8-0 Kniss absent)."
10. ~~Agreement with Empowerment Institute on Cool Block Small Pilot Program (Continued From January 25, 2016).~~

Mayor Burt: On that note, we can proceed on the board, voting. That is approved unanimously with Item Number 10 removed.

MOTION PASSED: 9-0

Mayor Burt: Mr. City Manager, Item 10, when would you want to address it?

Mr. Keene: Unless the Council somehow thinks that there are a couple of clarifying questions that I could answer and then you could act on it, I would say we'll have to schedule for a future meeting. There are other people in the community that would want to speak to this item also, I'm sure, tonight.

Mayor Burt: We will reschedule Item 10 at a date uncertain.

Action Items

11. Approval of 2016 Basement Construction Dewatering Program Changes and Other Related Issues.

Mayor Burt: We are now moving onto Item Number 11 which is approval of 2016 Basement Construction Dewatering Program changes and other related issues.

James Keene, City Manager: Here's Phil.

TRANSCRIPT

Phil Bobel, Public Works Assistant Director: Thank you, City Manager. This is Phil Bobel, Public Works. I have with me Kirsten Struve and Mike Nafziger, both with the Public Works Department. They're going to help me tonight. Specifically we're talking about recommendations associated with basement dewatering for the construction season of 2016. Kirsten's going to start off. This has been through the Policy and Services Committee, and these recommendations are coming to you from them. She's going to give some background information, though, that will be a little bit of old news to those of you who were on the Policy and Services Committee last calendar year. We think it's important to get us all on the same wavelength, using the same terminology about groundwater and aquifers and shallow and deep. Kirsten's going to go back through some of that and give you the background, and then I'll come back with our recommendations and an update there.

Kirsten Struve, Manager Environmental Control Program: Thanks, Phil.

Mayor Burt: Is it the deep or shallow background?

Ms. Struve: It's more shallow. Just by way of background, this is a schematic of what groundwater typically looks like. It is not specific to Palo Alto, but it shows some of the terms we're going to be talking about. The upper blue layer that is—I don't know if it shows—right here, that is the unconfined or shallow aquifer. That's basically where the water table is. If a well is drilled there, it would just rise to that level. Typically basement dewatering perimeter wells are in that shallow or unconfined zone. Below that zone is a confining layer, typically a clay layer, that doesn't allow much movement between the shallow and the deep or confined aquifer. Then the second blue zone after the confining layer is the confined or lower aquifer. It's typically under pressure. As you can see, there are two wells there in that zone. The water rises to the top. On the very left is the recharge area. That is where the deep or confined aquifer would be recharged. In Palo Alto, that layer is—the recharge area is this hatched area per the Water District. That is the area where primarily rain or any water in this area would recharge the lower aquifer. The area where basement dewatering is happening is closer to the Bay and is in an area where there is a confining layer. It's actually a little more complicated in Palo Alto. There are several layers, but the recharge zone is against the hills. This is what a typical basement dewatering operation looks like. Basically permitted wells are drilled around the site where the basement is to be constructed. When pumping a well, a cone of depression is formed, and this cone allows the cone around the pit, lets it be dry. It typically takes about three months because we require that all basements be completely water tight, so that they don't have continuous dewatering. They need to build that basement

TRANSCRIPT

and enough of the house on top of that to keep the basement down in the ground, and then they can start pumping. That pumped water is put into a settlement tank as shown in the picture. For us, the requirements now have a fill station that is part of that settlement tank, and the rest of it goes to the storm drain system. This was actually in December, not in November. In December, Policy and Services discussed the draft requirements and identified three groups of activities which are in the Staff Report. Today we're seeking approval of the Group 1 activities as requirements for the 2016 construction season. Phil will go over those.

Mr. Bobel: While that slide is still up there, let me just say a little more about these three groups of things that are in the Staff Report. In the interest of time, we're not going to go over the Group 2 and Group 3 pieces. Happy to do so if you'd like us to later; you can just ask us about that. The bottom line is that the Group 1 activities are the things that Staff is recommending and the Policy and Services Committee recommended as well and moved forward. The Group 2 activities relate to more sort of questions about how groundwater in the Palo Alto area works, trying to answer questions that are not completely resolved and that we will do as time moves forward through a series of activities. The first one being an RFP that's been drafted and a new scope of work for consultant help that we're just about ready to go out with. That's the Group 2 activities. The Group 3 activities are ones where Staff believed that further direction would be needed from full Council as opposed to just the Committee before we could even investigate them fully and give them their due, because they're more involved. Even investigating them is quite involved we believe. Those are the Group 3 activities, and they're enumerated in the Staff Report. With that bit of background, these are the Group 1 activities that we're recommending and that Policy and Services recommended. They use a numbering system that—we'll get to it in just a second. There were five basic recommendations; there are five basic recommendations. The first four are on this slide. Let me say first how we got to this point, what are the concerns that we're trying to address with these recommendations. As more and more concern grew about this basement pumping, the concerns began first with the concern that water was being wasted, that the water was being pumped out and typically discharged most of it to the storm drain system and that it wasn't being utilized in any productive way, especially during a drought. Last year this seemed really incomprehensible to a lot of our residents. That was the first kind of sort of complaint or response that we got. The second one was a concern about the adjacent properties or even beyond the adjacent ones, the nearby properties, could they be affected by this pumping, either the structures, the infrastructure, and then secondly the vegetation and principally the trees was the area of concern. I'd summarize that second concern as basically impacting nearby property. The third sort

TRANSCRIPT

of basic concern we got was that by drawing down the water in the immediate vicinity of the pumping, we were potentially affecting the availability of water for our own emergency wells, other people's wells, the groundwater in general. The general concern was that we were going to influence or impact the groundwater availability. I'd call that the third basic concern. These first four recommendations on this slide really address the concern of wasting water or, said the other way around, can't we do something to better utilize the water. We have sitting at our table Mike who was really the inventor of our fill station activity in '14, calendar year '14, and then we augmented it and made it standard procedure in calendar year '15 that everybody had to have a fill station that was doing this groundwater pumping. The first recommendation is to encourage greater use of these fill stations. The fill station requirement exists; it was fully implemented in calendar year '15 by Mike and his team. This one has us augmenting that to improve signage, enlisting other kinds of public outreach so that it gets greater utilization especially for trees and local vegetation. I think it's safe to say that Recommendation Number 1 was not controversial. The second one is strengthening the outreach with respect to the water cycle so that people understood better exactly what was happening when we pumped out this basement and exactly where the water was going, the fact that it was still being part of our ecosystem. It was being transferred mostly to the storm drain system and on either to our creeks or the Bay, part of the natural environment. While not being fully utilized by us people, it was still part of the ecosystem. The second one is to make sure everybody understands that better. Again, not too controversial; although, a couple of people on Policy and Services, as I recall, weren't really wild about this one. They ended up voting for all these recommendations. The third one is strengthening a concept that already existed in calendar year '15, and that is a use plan. The contractors had to develop a use plan to try to maximize the use of the water that was being pumped. We didn't have a lot of definition to this in '15, so we were kind of experimenting with it. We put it out there; we asked the contractors and owners to prepare a use plan but without a lot of definition to it. Recommendation Number 3 here takes this a step further and suggests a couple of very specific things about the use plan. First, that as a minimum the contractor/builder/owner would have to at least for one day of the week provide a watering truck for the entire day and service the immediate area as directed by the City, typically trees, parks, vegetation. I really included the other part here also, and that is that in addition to this one day a week of trucking it, that it be seriously considered if the construction site was close enough to one of our parks or a similar landscaped facility, that we actually see if we could pipe the water there. We're in some cases piping it a couple of blocks anyway just to find a storm drain, so couldn't we pipe it to a park if there happens to be one right next door or close by. That was the second very specific thing that we've now

TRANSCRIPT

added to what we call the use plan. That's the third recommendation. The fourth one is expanding the specifications, tightening them down for Mike's fill station. Not that he didn't do a great job with the specifications we had, but you always live and learn when you put something like this in place. Needless to say, we've learned a couple of important things, and we can get into that if you like. There are two things I'd specifically mention. One, this pressure issue. It was noticed that the spigot we had for hoses for the next door neighbors and close by residents, that in some cases didn't have enough pressure to actually do the job, so we're going to specify that it essentially be pumped not just under the head pressure of the tank so that there will be sufficient pressure. It'll act more like a true garden hose. Another one that I'll mention is the metering of the water or measuring of the amount of water. We hadn't required that specifically, but it's now very clear that everybody wants statistics on this including us. We all want to know how much water is really being used, how much water is being pumped out. It's not an expensive thing to require that a meter be put on this, so this year we'll be metering them all. Those are our first four recommendations, and they all deal with trying to utilize this water more fully, prevent what some feel is a wasting of the water. Thanks, Kirsten. Now, the fifth one is different. The fifth recommendation is to broaden our current requirements for the grading permit so that we can have a finding by the builder/owner as to whether there is significant likelihood of an effect on adjacent or nearby property. This one has enough detail to it that I'm going to actually use this one page handout that the Clerk gave you a few minutes ago. While it's attached to your Staff Report, it's sort of hard to find. I forget even its attachment number, but it's kind of hard to find in there. Even better reason to look at this sheet of paper that just got handed out is it's numbered. The thing in our Staff Report wasn't numbered and lettered, and so it'll be easier to talk about if you have questions if we're all using this sheet of paper because it's numbered. For members of the public that would look like this. It's right behind me here. This is a numbered version of the same thing that's attached to the Staff Report. I'm not going to go through it completely. Now this numbering system on the slide matches the numbering system. It's the details of Recommendation Number 5. I apologize. This is a new Number 1, a subpart of Recommendation Number 5. Everything from now on on this sheet is a subsection of Recommendation Number 5. It'll get less confusing here soon. The first part of this just says you've got to tell us what alternative construction measures you considered, applicant, when you chose to dewater it in the way that you're describing. The second one—I'm not going to go through all these. These are basically information requirements. You have to give us information with respect to your dewatering proposal that hits on all of these Number 2 features. Now, the one that's a little bit different, and maybe we'll just skip to that, Kirsten, is "G." The one that isn't just technical information but requires analysis is

TRANSCRIPT

"G." Here you've got to determine the radius of influence. That's another way of saying it is that cone of depression that Kirsten referred to. You've got to do an analysis that determines that cone of depression. That's the first part of this. Let's move on, Kirsten. No, I'm sorry. It's still "G." Still within "G," there's a couple of other important parts of "G." One needs to determine whether or not there's a reasonable likelihood that the proposed dewatering will cause effects on offsite structures or infrastructure. The second point on the slide is sort of the same thing but with respect to vegetation and trees. You've got to determine whether there's a reasonable likelihood that the proposed dewatering project will reduce the amount of water that's available to trees or vegetation. Those are the two statements which the applicant must make, whether or not those two things have been found. In the case of the second, the one that relates to trees and vegetation, you'll see that we've been prescriptive there that a certified arborist has to be involved in that. It's not on the slide, but the other part has to be essentially certified by a geotechnical engineer. That's "G." Related to "G" is Number 3. This is Number 3, but again remember all of this is part of Recommendation Number 5. Number 3 says that you've got to—the first part of it says if you identify any of these effects, namely that it's reasonably likely that there would be an effect, then there needs to be an avoidance measure both identified and implemented that would minimize those identified effects. That's what the first part of Number 3 says. Then you'll see on the slide that there's a second principle of the avoidance measures. That is that avoidance measures are needed to minimize the rate and duration of pumping regardless of whether you've identified effects or not. The principle is that regardless of whether there's effects, you need to try to minimize both the rate and the duration of the pumping, and you do that with the way you're designing and operating your dewatering system. The fourth one is to develop a monitoring plan. That goes without saying I suppose, that we need to sort of check up on these determinations that the builder/owner has made by monitoring to assess any actual effects on vegetation, trees or structures. Some kind of a monitoring plan has to be proposed. This whole thing, Number 5 on the slide says this whole thing has to be stamped by a California licensed geotechnical engineer and made public. What we mean by "made public" is, of course, it has to be submitted to us, the City, and it also has to be made available to any members of the public. We presume that the nearer neighbors would be in the category of people who would want to see this. I'm going to stop there, I think, with that. The recommendations and next steps. Our recommendation is that you approve these requirements, these recommendations, I mean, and that you provide direction to Staff as you wish with any other work items that is from Group 2 or Group 3. If there's something specific there that you have, then you of course will want to direct Staff to do it. Our most fundamental

TRANSCRIPT

recommendation is just that you actually approve the recommendations that I've just gone over.

Mayor Burt: Thank you, Mr. Bobel. At this time, if members of the Council have any technical follow-up questions, we can briefly entertain them. The members of the Policy and Services Committee from last year generally had an opportunity to air our questions, so we'll try to defer any of those as much as possible, and then we'll hear from members of the public. Council Member Filseth.

Council Member Filseth: Thanks very much, folks. Phil, you described sort of a couple of the major impact drivers for this. One is the issue that we're wasting water in a drought. The second is the issue of subsidence on nearby properties. On the second issue, why is this an issue now? We've been building basements in Palo Alto for quite a long time now. Is there something different that is technically different now than before?

Mr. Bobel: I don't think there is anything fundamentally different. I'll just remind you—in your case, maybe you're too young. This does come up from time to time. The last time it came up was in the latter part of the last decade. I think it was 2006, 2007. We did a Staff Report in either '06 or '07 on this and addressed many of the same concerns, not so much the wasting water concern however. It was more focused on the effects on nearby property.

Council Member Filseth: What was the upshot of that? What was the prescription from that?

Mr. Bobel: There were no recommendations along the lines of tonight's recommendation. I think there were fewer concerned residents. There was less concern in general, and there weren't specific—I shouldn't say that. The main thing that came out of the last effort was we now have put in place a requirement that when you build a basement, you build it in such a way that once the construction is over, there will not have to be ongoing pumping. We've required people to build it like a boat. I would say that the outcome of the last kind of concern about this whole thing was to at least limit the pumping to that relatively short period, three, six months of pumping during construction, and then there not being any further pumping.

Council Member Filseth: Is there evidence that that prescription was not enough to take care of the problem? As you say, we've had ten years of experience with it now.

Mr. Bobel: By the problem, you're talking about effects on nearby ... This is very difficult for Staff to analyze. We've got a number of residents who have

TRANSCRIPT

submitted what they believe is documentation of these effects. It's very, very hard for us or, I think, anyone to show a cause and effect relationship between short-term pumping and those kind of effects. We've not concluded that there are such effects. We've not ruled that out either. Therefore, we believe that enhancing these measures makes sense.

Council Member Filseth: Thanks.

Mayor Burt: Council Member Kniss.

Council Member Kniss: Thanks, Phil, for this. I know you've spent a lot of time and energy on it. Thank you for giving us some information in other ways as well. Looking at what you passed out, and you just went through it. Because it wasn't completely described in what is given to us tonight, does that pose a problem? Do you see this as just enhancing Number 5 or is this (crosstalk)?

Mr. Bobel: This one sheet of paper that we handed out?

Council Member Kniss: Right. That one right there.

Mr. Bobel: That was attached to the Staff Report and is part of all the formal documentation. The only change we made to it just to enhance your discussion tonight was we numbered it. I just looked at it and thought this is going to be ugly trying to talk about it without it being numbered. It's attached to the Staff Report. It's part of the recommendations in the Staff Report. It just wasn't numbered like that one sheet of paper.

Council Member Kniss: For the record, the public knows exactly about this and what it means?

Mr. Bobel: What's that?

Council Member Kniss: This is included in such a way that the public is aware of it?

Mr. Bobel: Like all of the documents that are brought before Council, this has undergone the same process of public notice and outreach.

Council Member Kniss: I'm asking because this is great detail.

Mr. Bobel: I'm only hesitating because I could find ten people off the street who would not be familiar with this.

Council Member Kniss: In addition, I'm going to guess that probably somebody about to do a house or a basement or the contractor involved

TRANSCRIPT

would shake their heads at this and say this is rather complicated, but maybe not. To go to Eric's question for a minute as to what brought this up, I'd have a hard time believing that it wasn't the drought, because that's where everyone became more aware. In my neighborhood in particular where this has been going on for a long time, I have heard people discussing this for as long as basements have gone in. What looks like a very substantial amount of water has flowed down the drain often for weeks at a time and appears to have, regardless of what your explanations have been which are certainly rational, appears though to have been water wasted. I think it's hard to change the perception. We on the Council deal with perception as much as what we may call scientific evidence at the same time. I would mention tonight that I think that in good part if you ask a number of our constituents, they would feel that this was a substantial waste of water and whatever we can recoup from that, however we can recycle it is going to be of great value.

Mayor Burt: I just want to remind colleagues that in this round we want to stick to technical questions. We'll come back for our discussion after we hear from the public. Vice Mayor Scharff.

Vice Mayor Scharff: Thanks. Phil, I just wanted to address the issue that it's a pilot project. When would you anticipate coming back to Council to review these new requirements? Would it be at the end of 2016 or would it be early 2017 before the next ... That's my first question.

Mr. Bobel: I wouldn't envision coming back before the end of this next construction season in 2016, because we'll get a lot more information about how difficult this was for people, how valuable it was for us. I would say at least not until the end of the '16 construction season.

Vice Mayor Scharff: I noticed in the recommendations there's nothing about coming back to Council to review the results of the pilot program. Do we need to put that in there? I mean, it's a pilot program. It seems that we should have some discussion if we want to continue it.

Mr. Bobel: Sure.

Vice Mayor Scharff: I'm trying to get a sense of when you—I guess we'd just leave that open to you, when to come back. I'm thinking about the first construction season, then you have a whole other winter, and you can come back at that point. That seems reasonable?

Mr. Bobel: Yes, definitely to report back in that timeframe seems reasonable.

TRANSCRIPT

Mr. Keene: I would just add we're also in a sense already on the hook for looping back through Policy and Services and, I think, ultimately to the Council on some of the other dewatering-related requests or issues that came up at the P&S meeting, what we call Phase 2 and Phase 3. I think that some time in the process of getting through this construction season and how we would schedule those other discussions, we'll be looping the Council back in.

Vice Mayor Scharff: That was really my next question. This is why I actually don't think it quite works the way you just suggested, Jim. What the report is asking—I guess I was a little unclear on this. Are you asking for a Motion that says come back to us and provide an update on the work plan for the Group 2 efforts to the Policy and Services Committee in the first quarter of 2016? That's what's in the Staff Report. Is that what you're looking for in the Motion? On the Group 3, I just wanted to clarify that what you're actually looking for, because I thought you were a little unclear on that frankly, Phil, was that Staff will prepare a report for the Policy and Services Committee in the first half of 2016 to discuss the Group 3 matters and the development of a potential recommendation to Council to direct additional work in one or more of those areas. What you're not looking for us to do tonight is to say go ahead and do work on any of these Group 3. What you're looking for us to do is to say go to Policy and Services, discuss if there was a recommendation to Council to do any of those. I just wanted to clarify that that's what you're looking for.

Mr. Keene: That's correct. That's correct. We're not asking for ...

Vice Mayor Scharff: I heard something slightly different.

Mr. Keene: ... direction on those. I didn't mean to—I don't think I ...

Vice Mayor Scharff: Not from you. I actually heard it different from Phil. I just wanted to clarify that. That's correct. Thank you.

Mayor Burt: Council Member Schmid.

Council Member Schmid: A technical question. I'm a little confused with the assumptions we're making, that 2016 is okay to go ahead. On page 2 and 3 of your presentation, you give your base assumptions. Two says there is very little connection between the shallow aquifer and the deep aquifer until you get to, on page 3, well above the Stanford campus. Now, there has been some input from the public that has said more recent studies than what you're citing. Page 3 cites the Santa Clara Valley Water District recharge zone which the District currently uses for planning. It doesn't say where they got it, when they got it, how long they've had it. Numerous

TRANSCRIPT

people have pointed to at least two studies, the Todd study and the Smith study for EPA and BAWSCA, done in the last couple of years, which has quite different pictures. As a matter of fact if you took your picture, the one on the screen, and put the area where they see interaction between shallow and deep, it takes place at Middlefield and University. That's a mile and a half from the edge of the Santa Clara Valley Water District. Now, I'm not sure—there's a dispute going on here. Two different studies are showing two different things. The BAWSCA study, I know the Smith study cites seven recent well-based studies in the general area, but the BAWSCA study concludes that the seepage from the groundwater in that arena, a mile and a half from the edge here, total 190 acre feet per year. Now, that's a substantial difference from what you're assuming that we should go ahead in 2016 and continue pumping water in the dry summer months not into the aquifer, but into the storm drain out to the Bay. That seems to me to be in dispute whether that is healthy for the shallow aquifer, for the deep aquifer.

Mayor Burt: I've got to interrupt everybody. This year I've been trying to permit technical questions by the Council before hearing from the public to really allow some of that information to come out. We're really drifting into a mixture of only a few questions and a lot of statements and advocacy. We're either going to have focus on succinct technical questions or forego the round that allows us to have questions before hearing from the public. I just need to ask everybody to do that. We're now starting to run over on the meeting. Council Member Schmid, could you ...

Council Member Schmid: To summarize, that's a technical question about your critical assumption.

Mr. Bobel: Let me just give a quick answer in the interest of time. We didn't make any assumptions about the water movement. We're making recommendations based on the concern that there could be effects on offsite properties. We didn't draw any conclusions, and we've been increasingly careful not to do that based on the existing studies. The second point I'd make is that we do disagree with part of what you said, Councilman Schmid, that all of these studies that we can find, that mostly others have found and directed us to, don't have differing conclusions about where those areas of connectivity are. We've looked at them very carefully, and they all are based on the same data. The BAWSCA study didn't have any new data derived for the study. It simply used the data from the Water District and the Todd study, and they all used the same data set. We see nothing in any of those reports to indicate that there's connectivity up as far as Middlefield, which you cited. All of the ones that show a map like this show it as very close to that blue dotted line on the upper edge of the blue hatched areas. Yes, there's a little bit of people showing different ones depending on exactly

TRANSCRIPT

where they drew their cross-section. I don't think there is any significant disagreement among the experts on where this recharge area is. Where there's disagreement is could there be leakage in areas which are not the recharge area. We've been careful not to draw any conclusions about that. That's our technical answer to your technical question.

Mayor Burt: Council Member Holman.

Council Member Holman: I can wait.

Mayor Burt: Council Member DuBois.

Council Member DuBois: I think what you described when you mentioned metering, I couldn't find where that was called out in the Tier 1 items.

Mr. Bobel: We'll find it.

Council Member DuBois: Kind of a similar question really in terms of a suggested sort of Motion. It seems like we have kind of these five general Tier 1 points, and then we have this detailed notice. They both have kind of different information, but I think we want to include both. I think the notice might have the pumping detail.

Mayor Burt: If I might clarify. My understanding is the notice are the implementation detail specifics of whatever policy direction we would be giving.

Council Member DuBois: I'm just trying to get clarity on what the Motion would encompass in the notice. I think it addresses some probably questions people have.

Mayor Burt: I'll let Staff respond, but my assumption is no, we don't necessarily—we don't typically give policy decisions that are the verbiage of notices.

Mr. Keene: I don't know that we want to get exactly in that practice. Just to state it again, the Motion identifies five steps. That fifth step is, in a sense, implemented through this notice. I don't think there's anything wrong with the Council generally referring to a notice or something. I would be concerned—I mean, we could get out and say we have a slight change we need to make or whatever, and we have to go back to Council.

Council Member DuBois: Just during the description, I think you said the fourth point about the fill station, that the water would be metered, but that's not in the fourth point. I was just trying to understand kind of ...

TRANSCRIPT

Ms. Struve: On the notice, it is under Number 6. The notice was generally included as Attachment B. Not all of the items, however, because some of them were already existing requirements, so those were separately listed in the Staff Report.

Council Member DuBois: But the suggested Staff Motion would be the five items in Tier 1?

Mr. Bobel: Yeah. Those five items, though, we reference the attachment to the Staff Report. Therefore, this longer list is included. Sorry. It's a little bit confusing. Yes, by adopting the Staff recommendations, you're adopting those five points, but you're also adopting the more detailed—the details which were in, I believe it was Attachment B which is now this one-pager that we've handed out. There is a requirement that the flow be metered.

Mayor Burt: Council Member Berman.

Council Member Berman: Just a quick question. I can't remember if this came up at Policy and Services. Does Staff have a sense of what the cost of the geotechnical study might be? Is that going to just vary widely based on the circumstance or is there kind of an estimate as to ...

Mr. Bobel: I think it's going to be several tens of thousands of dollars. It's not going to be cheap.

Council Member Berman: Several tens of thousands of dollars. Every home that wants to build a basement will be responsible, so this isn't small. This isn't inconsequential.

Mr. Bobel: It's not inconsequential.

Council Member Berman: Got it. Thank you.

Mayor Burt: All right. At this time we have, I think, eight members of the public. If anyone else wishes to speak, they need to bring their card up at this time. We will give members of the public up to three minutes to speak, but we're already behind schedule and we have another Agenda item that's going to have extensive public participation tonight. If you don't need your full three minutes, we would welcome you being as succinct as you can. The first speaker is Robert Moss, to be followed by Keith Bennett. Welcome.

Robert Moss: Thank you, Mayor Burt and Council Members. For many years, I've been touring homes that have been put up for sale to see what they look like, especially in Barron Park and neighborhoods near us. I noticed in the last seven or eight years new homes tended to have

TRANSCRIPT

basements. That wasn't true in 1990, 1995. It was unusual, but now it's quite common. In theory the basements are not habitable. That's the theory. Many of these basements in new homes that I've looked at were laid out looking like they were just raw areas, but they had all of the utilities. They had water lines, sewer lines, electric lines set up but not connected to anything. It was quite common that you'd see an area which was set off as a kitchen area. There might be a refrigerator there, but there was no cook tops, but the wiring was there for them. Then there'd be a room that was set aside that had plumbing and water lines, but the toilet and the bathtubs weren't installed yet. It was obvious they were waiting until they got the building inspector to look at the house and sign off on it, and then they would sneak in and convert it to an actual apartment because they had an outside stairway that went in so the tenant could go into the apartment in the basement without going through the main house. This has become quite common. Maybe we ought to do what Mountain View has done for more than 25 years. The fellow who is the Assistant City Manager told us that since the early 1990s no homes in Mountain View, no new homes in Mountain View have been built with basements. They just weren't being done. Now on the Staff Report on page 430, it talks about—there you have ten different items you can look at. One of them is reviewing the building and FARs. Basements currently do not count toward FAR. Count the basement toward the FAR. If you don't want to count it as 100 percent, count it as 50 percent or 70 percent, but include the basement in the FAR. Second, in areas which have low groundwater—by the way, the groundwater level today is lower than it will be in four or five years if we have rain. You may have an aquifer that's now 19 or 20 foot. When there's rain, it'll only be 14 feet. Look at what the lowest aquifer level has been on that site in the last 20 years before you decide whether or not to even consider basements.

Mayor Burt: Thank you.

Mr. Moss: Prohibiting basements would be the best way to go.

Mayor Burt: Thank you. Our next speaker is Keith Bennett, to be followed by Rita Vrhel. Welcome.

Keith Bennett: Hi. I'd just like to point out that on average the dewatering for the construction of a single residential basement would fill the El Camino Reservoir three to four times. The 14 residential basements built last year would fill that reservoir 50 times. Clearly the water that is pumped for dewatering a single basement comes predominantly, in fact about 98 percent, from under the properties of others. Some people say that water is not being wasted because it's not accessible from our taps; however, many

TRANSCRIPT

people in Palo Alto and neighboring cities use the shallow aquifer groundwater. Irrigation is the most common use, but one person on Edgewater Drive emailed me because his heat pump no longer works. It requires—it's a geothermal heat pump that requires the use of groundwater. He's kept records for 40 years, and this is the first time that he has not had adequate water flow to use his pump. Could dewatering be a cause? He should mention that he has records through the '70s which was a four-year drought as well. Save Palo Alto's Groundwater hopes that Council Members have reviewed our white paper where we've discussed lots of issues related to groundwater dewatering. We had testimony or written comments from four local hydrologists, summaries of groundwater studies from East Palo Alto's groundwater management plan and the BAWSCA strategic groundwater model. We suggested alternative methods of constructing basements that use far less groundwater, and we also suggested revised City policies. I was advised by a wise member of the City Staff when I first inquired about dewatering last summer that Staff would need Council's direction to revise City policies. We are here tonight to ask Council to clearly request Staff to implement effective policies that significantly reduce the groundwater pumping in 2016 and to build a roadmap for zero groundwater waste policies beginning in 2017. I would like to also mention that I've given a petition with 130 more signatures in addition to the 200 that we delivered to the City Manager. I will end here.

Mayor Burt: Thank you. Rita Vrhel to be followed by Rene Wood.

Rita Vrhel: Thank you. I wanted to answer Councilman Berman's question. Not all basements will require a geoengineering study at the cost of tens of thousands of dollars. Only those basements that are—those basement owners that are requiring a dewatering permit. That needs to be clear. Not all basements require a dewatering permit or a geoengineering study. To Council Member Filseth, I wanted to let him know that the reason this topic is coming up now is that the last time it was studied only four to five basements were being constructed requiring dewatering. Last year, there were 14. The year before, I believe there were 13 or 14. The basements are now huge, including the one over at 736 Garland that will be 3,454 square feet of basement. Sustainability is a timely topic. I do not believe sustainability can be achieved while unlimited dewatering or groundwater extraction occurs. This belief is shared by many professionals as evidenced in the scientific articles savepaloaltosgroundwater.org has sent to you, most recently a report by the Union of Concerned Scientists called the Big Water Shift. This report discusses California's reduced precipitation and snowfall, flooding, climate change, expected severe droughts and stresses the need for sustainable groundwater management. Tonight you can implement sustainable groundwater management practices by adopting Staff's

TRANSCRIPT

recommendations if you include requirements to meter, charge for, test, reuse and/or recycle this extracted groundwater. Fees for these services can be part of the permitting process. Requiring construction best practices will also reduce pumping length and total extraction. The information obtained by the above practices can be the foundation for future dewatering regulations and groundwater management practices. If not tonight, when? This topic is not going away. We are faced with droughts and flooding in our future. The only choice is when will it be adequately addressed. That is in your hands tonight. Your actions can be the first step in Palo Alto's new leadership role as discussed at the recent S/CAP discussions. Your recommendations tonight will help Staff move forward with Group 2 and Group 3 recommendations. The information obtained from testing, metering and changing will help also. Thank you.

Mayor Burt: Thank you. Our next speaker is Rene Wood, to be followed by Ester Nigenda.

Rene Wood: Good evening, Mayor Burt and Council Members. I have studied very carefully a copy of the notice to owners. To be very honest, if I was building a basement or I was a contractor, I would not know so much of what was presented tonight, because it's not as clearly spelled out as I would hope it would be. I submitted a letter to you tonight and my comments going forward are going to veer dramatically from that letter. I think the content is spot on, but so much information came in the presentation prior to your questions and public comment that there's a lot that has changed here. I have always firmly believed that documents that are given to the public should be as clear as possible. Not everyone is always going to understand them. There's always some of us that don't quite get it. To not include in the notice to the public that was put out in January of '16 as a possible draft that the water that is being pumped is going to be metered is such an—I'm sorry to be what might be disrespectful—oversight when it is clearly called out especially in point 2 of so much having to be submitted. I have grave concerns that someone is going to start this process and not know that it's supposed to be metered. The things that I'd like to comment otherwise on this is I think this is an incredible opportunity to show the public, particularly some of the people who came forward so gallantly at your last meeting and said, "I'm going to put aside my skepticism that this isn't going to be all talk." This is an actionable item that can be made better by including a few things. I have detailed those in my letter. I'm very glad to hear that the focus is going to measuring and collecting groundwater data. There has to be a reporting mechanism. Otherwise, all you're dealing with is estimates, and then you'll have no data that is real, that will inform your decisions going forward not only on the report that you're doing with your groundwater partners, but

TRANSCRIPT

also on the Group 2 and Group 3 recommendations. I would also suggest that you include a mechanism that if the estimates are exceeded during the process of dewatering by something like 10 percent, that a new plan, not the type that costs \$10,000, but an update has to be submitted. I would also request that you monitor one of your incredible assets in this town which are your trees. They increase our property value. They make your City one of the most beautiful cities in this country. Do it for five years. Trees don't get stressed and die in three months. Make it so that the owners, the people who are building these basements provide that information to you. Thank you.

Mayor Burt: Thank you. Our next speaker is Ester Nigenda, to be followed by Steve Eglash. Welcome.

Ester Nigenda: Good evening, Council Members and other attendees. We've had a few exciting days lately. The Sustainability and Climate Change Summit was an amazing experience. We thank the City for its (inaudible) and leadership in these areas. A day later, Public Works welcomed me to their groundwater workshop. Tonight, of course, the City Council is addressing the issue of groundwater or more specifically how the practice of dewatering for building under the water table impacts Palo Alto's groundwater. It is thrilling to see that Palo Alto is meeting the challenges of climate change, sea level rise, predicted water scarcity and related issues in such a proactive manner. I am grateful to the Staff at Public Works for including our grassroots organization, Save Palo Alto's Groundwater, as a stakeholder on the issue of groundwater, the mostly unseen and until recently mostly ignored. Climate scientists tell us that groundwater provides a crucial buffer against drought and the growing impacts of global warming. As is already happening, climate scientists say that because of global warming, we will see more precipitation as rain and less as snow. Extreme events such as prolonged droughts and severe storms will be more frequent and that in the near future we will be more dependent on groundwater supplies as the mountain snowpack that has historically been a crucial component of California's water supply diminishes. The water infrastructure that has served California well for over 100 years will no longer be adequate to meet our needs. Because of groundwater's increasing importance in a time of climate change, we ask that the City take bold steps to protect our groundwater, such as limiting the amount of water that may be pumped out during dewatering and requiring all pumped water to be used for beneficial uses and/or recharged back to the aquifer. We hear that single-use water will soon be a thing of the past. This pumped water has not even had a single use. We ask the City to protect and wisely manage our groundwater as a very important component of our water supply. Thank you.

TRANSCRIPT

Mayor Burt: Thank you. Steve Eglash to be followed by Dan Garber.

Steve Eglash: Good evening. I'm Steve Eglash. I'm a member of the City of Palo Alto Utilities Advisory Commission which, as you know, advises the City Council on electricity, gas, water, wastewater and fiber optic utilities. The Utilities Advisory Commission has not had an opportunity to deliberate or be informed on the dewatering issue. I'm speaking to you tonight as an individual, not as a member of the Utilities Advisory Commission. As I tried to analyze and get my head around this problem during the last several months, I asked myself three questions. One is, is the groundwater significant and relevant. I believe it is. Secondly, is the amount of water removed by dewatering significant? The data that I've seen suggests that it is a significant amount of water that's removed. Thirdly, do alternate construction techniques exist that would allow us to dramatically decrease or eliminate dewatering? It appears to me that such techniques do exist. Thanks.

Mayor Holman: Thank you. Dan Garber to be followed by Carla Carvalho. Welcome.

Dan Garber: On December 1st—excuse me. I'm here as a resident this evening, of Palo Alto. On December 1st I argued here that the amount of construction dewatering is very minor compared to other sources of dewatering in the City. As only one example, the pump underneath Oregon Expressway underpass pumps reportedly more water annually than all the residential dewatering projects last year combined. This appears to have been done without a single third-party environmental impact being reported by an arborist, including the City, the geotechnical, the civil engineers or other professionals in over 35 years. This is not to say that if we can utilize water realized from construction dewatering, we should do that. I support Staff Group 1 recommendations. Although I'm a little shocked by the amount of money that it will cost, it costs someone building a new home, they have to pay the City a minimum of \$45,000 for fees up to \$60-65,000, adding another 10,000 is an impressive number. If we are serious about the sustainable use of our water versus focusing on a couple of homeowners who want to build a basement, then we're thinking much too small. Today we poured 13 1/2 million gallons of water into the Bay. In nearly one week, we pour more water into the Bay than we take out annually from all the dewatering in Palo Alto. This comes from the RWQCP, the City's wastewater plant that produces 18 million gallons of wastewater per day, much of which comes from the Hetch Hetchy Valley. About 4 1/2 gallons of that is recycled. The remaining 13 1/2 goes back into the Bay. That's waste. Recycling 2 1/2 percent more water equals all the City's annual dewatering. Ten days ago the City asked for bold sustainable ideas. Here are three.

TRANSCRIPT

One, recycle the 2 1/2 more percent of recycled water a day. That's easy to do. Or look at pumping that same water back into the shallow, non-potable aquifer to compensate for the construction dewatering. Two, rather than recycling, let's clean our water and use it. We can pipe a portion to keep our underground emergency reservoirs filled or, with our regional neighbors, pump a larger amount of it into the deep, potable water aquifer. Or even create a new, deep underground reservoir to bank the potable water during droughts. Or let's stop taking our water from the Hetch Hetchy Valley altogether and clean all of our wastewater so that we can start drinking it over and over again like some parts of Southern California are beginning to do. Two other thoughts very quickly. When underground rail hopefully goes through, that will create a dam between the recharge area and the rest of Palo Alto. That's a big deal. I've also reached out to attorneys at Stanford and Sacramento who specialize in water. The City needs to consider carefully what happens when it asks and/or demands that a homeowner takes their water off their site and they want to ask for payment for that.

Mayor Burt: Thank you. Carla Carvalho to be followed by our last speaker, Simone Nixon.

Carla Carvalho: I am pleased that the Staff and the City Council are addressing this issue; however, more is needed, specifically recommendations put forth tonight, Number 1, 2 and 4, place responsibility for recycling this groundwater on the neighbors. Why put the onus on the neighbors when in fact they may be the victims of their neighbor's construction project? Three quick points. Number one, this City proclaims itself a energy efficient, Net Zero City. I'm wondering what the dewatering does to the energy budget of the City. Has anybody looked at the energy required to dewater? As Ester said early, some of this water has never even had a first use, never mind a second. I argue that that should be put into the equation and can help us as a City go more towards the zero side of the equation. Secondly, Councilman Filseth asked is anything different, and Councilman Kniss said that this has been going on for a long time this evening. I would argue that, yes, awareness is different. Scientists have taught us that we need to view water sustainability as a long-term process, not a year-to-year process. I think people are finally realizing that. The idea that water conservation in a drought year and water wasting in an El Nino year is pedestrian and irresponsible. Final point. The issue of granny units is something that the City Council has been looking at recently and has been widely publicized. Why not accelerate the discussion about granny units? Many people would possibly forego a basement were granny units allowed. The environmental impact of this is likely to be less. Thank you.

TRANSCRIPT

Mayor Burt: Simone Nixon to be followed by—actually we had one more speaker, Herb Borock.

Simone Nixon: Thank you, Council Members. I'm a resident of Palo Alto. I recognize the need to preserve the groundwater. My comment is about geotechnical evaluation. Lack of evidence for any effect on neighboring properties makes it, in my opinion, unfair to impose very expensive requirements for homeowners who have already budgeted their building expenses and they have already submitted their plans to the Building Department. I hope that you consider our particular case as well. Thank you.

Mayor Burt: Thank you. Our final speaker is Herb Borock.

Herb Borock: Mayor Burt and Council Members. Council Member Kniss asked about the item that Staff handed out at places and whether the public had adequate notice. That is similar to an update of the item near the end of the Staff Report at packet pages 803 and 804. The public has had adequate notice. Council Member Filseth had asked about the history of that. That is in the memos from Staff Reports from 2008 when there was an item to the Planning and Transportation Commission that said that the item was no action. It was just a Study Session. How you place something on the Agenda tells you what happens. Council had received concerns and had a meeting on May 12th, 2008 and asked Staff to bring information to the Planning and Transportation Commission. There was an update report on June 9th, 2008 that included information from the time in 2004 which is when the EIP Associates report was done. Another interesting thing about the 2008 report to the Council—those of you who are new on the Council may not remember some of the names, but 2008 was when there was a transition of City Managers. One had announced his retirement and was leaving. The current City Manager was about to come on board. It has Bob Morris and Glen Roberts signing off on that. Both involved with the cutting down of the trees on California Avenue. It has former Deputy City Managers Steve Emslie and Kelly Morariu, and none of those people are here now. One of the things that has changed is that the residents have sought expert opinion about what is going on to indicate with substantial evidence that their conclusions are different from the EIP Associates and from the City Staff. Another thing that has changed is that in 1989 when we established floor area ratios, what the public and the Council were concerned about was both mass and density as seen above ground. They didn't look at other environmental issues such as parking, even overnight. Until 1985, overnight parking was prohibited for virtually anybody in R-1 zones. In 1899 to include something that could turn into essentially an extended family or a two-family home in an R-1 district, those environmental issues weren't

TRANSCRIPT

considered in that, and neither was these dewatering problems. Staff says it's possible now to have people build something so they don't have to dewater after something is built, but what happens if they do? Are they going to make them tear down the building? I don't think so. The comments of Mr. Garber also go into something else in terms of what happened in 1989 and that is there's a lot of money to be made on all that extra basement. The water coming from Oregon Expressway or the Hetch Hetchy water is not the same thing as taking dewatering from areas that are essentially coming from your next door neighbors and maybe two or three houses down ...

Mayor Burt: Thank you, Mr. Borock.

Mr. Borock: ... for this thing. Thank you.

Mayor Burt: Also as having been the Chair of the Policy and Services Committee last year when we reviewed this, I should briefly report out on the discussions of the Committee. Although my recollection is that these recommendations were approved unanimously by the Committee, the Committee felt that this was a subject that would be of enough interest to both the community and the Council that we recommended it come back as an Action Item rather than a Consent Calendar item. I think that the public interest and Council interest is confirmed tonight. In our discussions, we had a great deal of interest in the breadth of this issue. What we found was that there are today, despite having three major studies that we're relying on from over a period of roughly 10 to 15 years ago, there's a real data gap that exists today. We really don't know some of the information on are there real impacts beyond what we have thought there were historically and on this whole range of issues. We had one follow-up which there may not be any response yet. Phil, maybe you can let us know. We had talked about approaching the Santa Clara Valley Water District to include this subject matter within the water recycling essentially research budget that was put forward. Is that still going forward?

Mr. Bobel: Yes, they are 100 percent supporting that.

Mayor Burt: Do we have any sense of the time horizon in which additional studies may come forward? Would they come in phases or one complete study?

Mr. Bobel: It'll definitely come in phases. We're almost done with the scope. The RFP could go out within the next several months and contract award. It'll be a complicated RFP, a large dollar amount. It may be that the contract award would spill over into early FY '17. I'd say the first significant

TRANSCRIPT

part of the results will take a full year. This is a very complicated area, and it'll be a multiyear process as we peel away the layers of the onion.

Mayor Burt: In the end, Policy and Services Committee certainly was at least open if not even strongly interested in understanding not only the information gaps that we have today, but whether additional measures should be taken in the future. We ended up being persuaded that these measures and primarily Measure 5 are significant steps beyond what we've done in the past. For at least the next dry season, they would be the next step that we would recommend. That's what came out of the Committee. Given the late hour, we can entertain both comments and Motions. I have Vice Mayor Scharff, to be followed by Council Member Holman.

Vice Mayor Scharff: First of all, I'd like to thank the Staff and the Policy and Services Committee. I think you guys did a great job. I can't remember, but wasn't this one of the meetings that went to like 11:00 at night for Policy and Services?

Mr. Keene: We had at least a three-hour discussion on this, maybe a four-hour discussion.

Vice Mayor Scharff: I think you guys did a really great and measured job. When I read through this, it all makes perfect sense. I think the three-tiered approach with the Group 1, Group 2 and Group 3 is a really good approach. I'm really pleased with the way we're looking at this. I also wanted to thank Save Palo Alto's Groundwater. I think you've raised some important issues and will obviously continue to do so as we continue to have this conversation. With that said, I'd like to move the Staff recommendation which as I understand goes like this. It would be to start with approve the five Group 1 Basement Construction Dewatering Program changes for the 2016 construction season. On a pilot basis—that would be one. Two would be, if you go to packet page 429, where it says Staff will continue working with the Santa Clara Valley Water District in an already ongoing effort on developing a further understanding of the North County groundwater systems, impacts of groundwater pumping and opportunities for enhanced groundwater recharge. At the bottom of that paragraph, it says Staff will provide an update on the work plan for this effort to the Policy and Services Committee in the first quarter of 2016. Then we move over to three ...

Mayor Burt: Were you proposing all of that language in the Motion?

Vice Mayor Scharff: I was. That's why I was reading it. That's why I was sort of saying where it was.

Mayor Burt: Just want to be clear.

TRANSCRIPT

Vice Mayor Scharff: I was. Then the third part of the Motion would be that Staff will prepare a report for the Policy and Services Committee in the first half of 2016, and that's on the top of page 5, to discuss these Group 3 matters and the development of potential recommendations to Council to direct additional work in one or more of the areas. That would be the Motion.

Council Member Kniss: Second.

MOTION: Vice Mayor Scharff moved, seconded by Council Member Kniss to:

- A. Approve the five "Group 1" Basement Construction Dewatering Program changes for the 2016 construction season on a pilot basis; and
- B. Continue working with the Santa Clara Valley Water District (SCVWD) in an effort on developing a further understanding of the north county groundwater systems, impacts of groundwater pumping, and opportunities for enhanced groundwater recharge. Direct Staff to provide an update on the work plan for this effort to the Policy and Services Committee in the first quarter of 2016; and
- C. Direct Staff to prepare a report for the Policy and Services Committee in the first half of 2016 to discuss Group 3 matters and the development of a potential recommendation to Council to direct additional work in one or more of these areas.

Mr. Keene: Mr. Mayor, I would say that that Motion even though we didn't formulate it that way is in alignment and in keeping with the Staff Report we put together. Thanks.

Mayor Burt: Did you want to speak further to your Motion?

Vice Mayor Scharff: Yeah, I did. I think what this does is it takes on a pilot program and it says let's go measure the groundwater, let's gain more data, let's put some things in place that address some of the immediate concerns that the public has had. I think those are good concerns. Then what it does is it says let's continue to gather more information, as Mayor Burt talked about, in terms of working with the Santa Clara Valley Water District, which is Item Number 2. Then it says let's look at these items, these Group 3 items, and let's think carefully about which ones we want to do, because there's a lot of Staff time involved. Staff will come back to us after they've had a chance to analyze it and say what it will take, the Staff time, the costs on that, and then we will develop a recommendation to Policy and Services

TRANSCRIPT

as to how to proceed. Obviously that will then come to the full Council. I think that's a really measured and appropriate response on this.

Mayor Burt: Will you work with the Clerk to make sure the Motion fully captures what you intended? Council Member Kniss, you were the seconder. Did you want to speak to it?

Council Member Kniss: Yes, as we always say briefly. I think the Vice Mayor caught the essence of this. I'm not going to go into it any further. I'd really like to congratulate the public, in particular I know Mr. Bennett is here. I don't ever want to pronounce your name wrong, but ...

Male: Rita Vrhel.

Council Member Kniss: Thank you. I think bringing this to our attention and validating that it was a community perception, which I think is being proven out, that this was truly troubling our entire community. I think that we've heard from people from all over the community, even though I know this tends to happen more in the parts of Palo Alto that are more in the groundwater area. I was also glad that somebody pointed out that not everyone will be required to have to go through all the hoops that have been described tonight. I think that's important to know. This says we have a number of groundwater depths which, Phil, you didn't address tonight. We go from 0 all the way to 30, to 40, I think somewhere in that range. There's a dividing point in there. I would say especially to the group that's worked so hard on this, that has worked to get our attention, this is a great example of the public process. You've certainly gotten the attention of us and, I think, of the entire community. Thank you for doing that.

Mayor Burt: Council Member Holman.

Council Member Holman: Also, thank you to Staff and the Save Our Water group. I was on the Planning Commission when this came forward before. I would concur with the comments made by the public and the Staff actually about why this didn't have the impact then that it does now. Some of it is the optics that we currently see because of the drought, but also part of it is because we do have more dewatering projects. Basements are bigger. We've had the same complaints for a long time though, going back at least that far for the impacts of dewatering on adjacent projects. It just didn't gain the traction then that it has attracted now. There were people back then complaining about trees dead and dying on property or on adjacent properties. There were people complaining then about cracking walls and not being able to open doors. It were the same kinds of comments and complaints that we get now. I guess when I look—again, being on the Commission when this came forward before, I did not find the EIP report

TRANSCRIPT

then as being adequate. It seemed like—well, it was pretty clear to me that in questioning the consultant that they hadn't considered at all and it is pointed out actually in the analysis by the members of the public, that they had not at all considered the accumulation or proximity of the various dewatering projects. It was clear that that had not been considered. It was not the cumulative impact that was being considered in that. Let me say this. A couple or three questions. One is why would we not limit basements to at least one level now. Do we really need to be allowing two-level basements, three-level basements? I don't know if there are any three, but I know there are several two-level basements. Why wouldn't we limit that now? If that requires more dewatering, why would we not do that? Why did the Staff not go there or the Policy and Services Committee? I don't know who wants to answer that.

Mr. Keene: If I just might answer. I think first of all at the Committee, one of the issues we were dealing with is the range of issues that came up, the depth of what it takes to really adequately assess them, validate them and deploy them. We triaged this to get back with recommendations that could be implemented now at the start of a potential new construction season. I don't see any way that exploring actions like that could be done in this timeframe. I mean, we've got a lot of process we would have to go through to make that decision, so I think we were directed to get back with this action. Phil just pointed out that that topic falls in the range of suggestions that came up that are in this Group 3 area that we, again, made very clear we have to develop a process to work through those. Not because we're avoiding it, because they're not only complicated but we're doing a lot of other things in the City too.

Council Member Holman: Indeed we are. It just seemed like that could be likely a very simple one because it could have significant impact but it doesn't affect very many people. As I read through Group 1, I don't see that we're measuring the water going offsite. Do I misread something?

Mr. Bobel: Yeah, sorry about the confusion there. We sort of buried that. It's in the attachment that's connected with the five recommendations which is Attachment B which is also the one sheet that was passed. By adopting the recommendations, you are adopting the requirement that people put a flow meter on the amount of water they're pumping out of the basement.

Mr. Keene: With a data logger.

Mr. Bobel: Yeah. And recording that data.

TRANSCRIPT

Council Member Holman: "C" is anticipated dewatering flow rate. Is that measuring? It seems more like they're guesstimating what the anticipated flow rate is.

Mr. Bobel: No, it's a different paragraph. We can find that for you.

Council Member Holman: I would appreciate that.

Mr. Keene: It's paragraph 6 in the attachment, is the thing that specifically talks about the flow meter with the data logger to be installed.

Council Member Holman: That's water pressure. I don't see measuring of water coming off the site ...

Mayor Burt: They'll get back to us.

Council Member Holman: Also I have a question about Number 5. In Group 1, it is—just so people can follow along easily—require grading permit applicants anticipated to or encountering groundwater to submit a statement of the effects of the proposed groundwater pumping on nearby structures, infrastructure, trees or landscaping. It seems to me that those are consistent with, to one degree or another, Group 3, Numbers 3, 4 and 7. It seems like we're asking an applicant to answer the questions that we're not willing to address until Group 3. That's how I read these. That's what the whole controversy is about. That's where we have dueling experts. It's like what is the impact on nearby buildings, the infrastructure, trees, landscape. That's what the controversy and, like I say, dueling consultants is. We're going to ask an applicant to present that information?

Mr. Bobel: I'm sorry. Are you noticing that it's in the Group 3 activities?

Council Member Holman: Yes. I'm saying that it seems to me that Group 1, Number 5, that's on page 428 of the packet, that several of those are addressed in Group 3 as Numbers 3, 4 and 7. Again, it's things that we don't have answers to.

Mr. Bobel: We included them in the Group 3 activities because it was a little hard to do. In sorting out all the things that came up at the Policy and Services Committee, there were—you could have interpreted that in a lot of different ways as to exactly what we should do with respect to offsite effects. The specific offsite effect we put in Recommendation Number 5 was that the owner/developer determined whether there's a significant possibility of effects, that we're putting on the developer in Recommendation Number 5. We also have general language about that in the Group 3 activities because

TRANSCRIPT

it came up in a more general kind of way and we were attempting to capture the Committee discussion there as well.

Mayor Burt: May I kind of frame this a little better? Phil, are those issues to be studied in Group 3 because they may inform actual policies that we may then enact that would be binding over ...

Mr. Keene: That's exactly right.

Mayor Burt: ... a totality or a whole? Whereas, this is looking for any basement to have a site-specific analysis at this time.

Mr. Bobel: Yeah. We didn't want to sort of conclude that we had answered all the Committee's concerns with that Recommendation Number 5. We really haven't. We left these bullets, like Number 7, as part "3" indicating that one could study this more thoroughly and come up with other recommendations. However, the one very specific thing we've done in Recommendation Number 5 is to require that the developer/owner determine the reasonable likelihood that there would be offsite effects. We are requiring that determination on the part of the owner/builder.

Council Member Holman: Why wouldn't an owner/builder just point to the EIP report and say no impacts?

Mr. Bobel: They will point to a lot of different things. the EIP report is one of many, many documents that they could point to. We'll see what they come up with. Kirsten points out that it's not specific to their site. They're going to have come up with something site specific. I think the biggest criticism why you don't see us quoting the EIP report is that it's not site specific. It's not an analysis where one has determined the cone of depression and they looked for the reasonable likelihood of effects.

Mayor Burt: Council Member Holman, within the area where we have basements permitted, we have significantly different depths of the groundwater, for instance. That's the difference in site specific. You could have one basement that came forward and said the groundwater is not until 30 feet below the surface, and another it said 10. That's the difference between a site-specific action and determination versus a general rule.

Council Member Holman: I do certainly understand that. It's just a matter of, I think, we're still going to have dueling experts and dueling opinions. I just don't know how this advances our purpose as a collective policy that we're going to use this as a basis to go forward. That's that. One other point here—two other points, I apologize.

TRANSCRIPT

Mayor Burt: We're going to jeopardize being able to get to ...

Mayor Holman: I understand, but I didn't get to ask questions in the first round or I didn't ask questions in the first round. The Motion as it stands now does not reference the Attachment B or the handout. It just references the five points that are on packet page 428, which does not reference Attachment B. To the maker of the Motion, was your intention to include ...

Vice Mayor Scharff: Staff addressed this point already. Staff said that it is included, the concept of this, but they didn't want to be stuck with the specific language. They intend to put the substance of this in the regs when they do the stuff, but they do not intend to be stuck with this specific language. That's what Staff said. They said it was already included. If you want to—given that, I don't see any reason to not follow what Staff wants to do.

Council Member Holman: I guess my clarification is there's no reference to anything forthcoming or any kind of further specificity to this. It's just like one through five.

Mr. Bobel: In our Staff Report, as part of "5," it says the detailed requirements are described in Attachment B. Attachment B is that one-page list that was handed out. The only reason we ...

Council Member Holman: I'm sorry. Where are you reading, Phil? I'm sorry.

Mr. Bobel: It's the fourth page of our Staff Report under Group 1, Recommendation Number 5. It's at the top of the page. It's the second sentence.

Mayor Burt: We can assume that says it, right?

Ms. Struve: It's packet page 429, at the top.

Council Member Holman: My final comment on this will be that I've had longstanding concerns about this. I'm not persuaded that the actions recommended by Staff and Policy and Services are going to enhance protections for neighboring properties. I sort of look at this—I was reading through this the other day, and I was sort of struck by something. If this were—it's not and I recognize that—an environmental analysis, which it kind of in theory is even though not literally, would I consider that what's being proposed by Staff as an adequate mitigation? The answer from my perspective is no. I can't support the recommendations. Should this Motion fail, we'll come back to some other considerations.

TRANSCRIPT

Mayor Burt: Council Member Schmid.

Council Member Schmid: I would like to propose an amendment to "A" add a point 6 that each site will be metered and there will be an excess charge for any dewatering water not used over 3 million gallons per site at the rate of 2.5 cents per gallon. Two cents per gallon.

AMENDMENT: Council Member Schmid moved, seconded by Council Member XX to add to Part A of the Motion, "add a sixth change, 'each site will be metered and there will be an excess charge for water not used over 3.5 million gallons at a rate of \$.02 per gallon.'"

Mr. Keene: Maybe the City Attorney can speak to the efficacy of that before you even pursue a second.

Molly Stump, City Attorney: Thank you. Through the Chair, Council Member Schmid, the idea to charge fees and attach some pricing to the watering is in the Group 3 items. Staff placed it in Group 3 because there's a fair amount of complexity to this issue. To just identify a couple of issues. There's a jurisdictional issue. The Santa Clara Valley Water District, of course, has some jurisdictional responsibility for groundwater. The City is thinking of doing some things there as well, but there needs to be some work with the District on that. The theory of pricing and the level of pricing will need to be carefully looked at. There are different bases that one might place pricing on this matter that's coming out of the ground and going into the storm drain. There are legal and procedural, substantive and procedural requirements with various types of price. That's going to take some time to work through.

Council Member Schmid: It's good to take time, but the first five points of "A" do imply that there are "studies about impacts on others, on the environment, on trees, on all kinds of things." There needs to be some way the City can take its function and say if you go beyond the boundaries of what we expect reasonableness, there should be a penalty.

Ms. Stump: The Staff has identified—I think Policy and Services was interested in exploring this, and we have identified that as an item that potentially we'll bring back to see if the Committee and Council wants further work on it, but there is not a sufficient basis to establish a price tonight. It is not on the Council's Agenda.

Council Member Schmid: What if the amendment just put a limit on the amount of water that could be pumped out of any house?

TRANSCRIPT

Mr. Keene: I mean, what would be the rationale for determining what that level is? I mean, we seem to have pretty rigorous processes and want to have data that we're basing some decisions on.

Council Member Schmid: You have a whole page here on "B," of asking the applicants to estimate likely impacts on others, on the environment, on trees, on all kinds of things. You're making a request of them to say, "I either will or will not have an impact."

Mayor Burt: Council Member Schmid, I think the question is the specific number that you came up with, what would be our basis for that number.

Council Member Schmid: It's whether I could use a dollar figure or, if not that, put a cap on.

Mayor Burt: It could be 10 million gallons. It could be 250,000 gallons. The question is, is there some basis for that number.

Council Member Schmid: Yes. Because we're trying to encourage use of the water, so I'm only ...

Mayor Burt: That sounds like a basis for a number.

Council Member Schmid: Yeah, I'm only putting ...

Mayor Burt: The Staff's question was what's the basis for that number.

Council Member Schmid: The 3 million gallons is about one-third of the average dewatering that took place in 2015 per house.

Mr. Keene: May I make a comment? I really think the Council's losing sight of the work the Policy and Services Committee did. It's understandable. A lot of you weren't there. I think we're also losing sight of the fact that we have tried to come back to be able to implement something now at the beginning of the construction season with the recognition that this serious issue is not going to be resolved in one, two, three, six months. We are not anywhere in this Motion saying this is the end of the conversation, this is the end of the analysis, this is the end of the consideration of additional policies. We've got to triage and make some decisions now. A lot of the things you're going to ask us to do, we're going to say we can't implement this, we need to go back and so some assessment on what you're asking us to do to tell you the implications. Then you're losing ground.

Council Member Schmid: I have a basic concern. You are not requiring metering of water that comes out. How can you do any future estimates ...

TRANSCRIPT

Mayor Burt: I'm sorry, but Staff said they were requiring that, and that was Council Member Holman's ...

Mr. Keene: We've answered that twice.

Mayor Burt: ... question. They were going to come back and provide the ...

Council Member Schmid: If you read Number B under "6" ...

Mayor Burt: No, let's allow Staff to respond to that, because they've—you just made an assertion that is actually different from what they stated earlier. We'll seek clarification.

Mr. Bobel: Let me just try to clarify that. I apologize for the location of this, where you look for it. Remember that this one-page handout is an attachment to Recommendation Number 5. What it says, it's in the sentence where it's listing several things, so I'll read the whole sentence.

Mayor Burt: Which number, Phil?

Mr. Keene: Number 6.

Mr. Bobel: It's Number 6 on the back side.

Council Member Schmid: Can you read the qualification before Number 6?

Mr. Bobel: Before Number 6?

Council Member Schmid: Yes. It says will apply if adopted.

Mr. Keene: That's right. If you don't take an action on it (inaudible) adopt it. This is exactly the point we're making. We want you to adopt it.

Mr. Bobel: That's what we meant by "if adopted tonight." The City will expand fill station specifications that must be implemented by contractors to address water pressure issues, including separate pumps for neighbors, a flow meter with data logger, and then it goes on to another one which is a sidewalk bridge for hoses for safety. The key is that mentioned in a series of things with others, which is where it gets confusing, we say a flow meter with data logger. What that means is they have to install a device that measures the flow, and then they have to have another device that keeps track of that, so that we know the total over time and can read it at any time we want to go read it.

Council Member Schmid: That's in a fill station. Does every gallon go into a fill station?

TRANSCRIPT

Mr. Bobel: Yes. It goes into a tank. We'll work on that detail.

Council Member Schmid: It's not very clear. We should know what we're voting on.

Mr. Keene: We'll do that. I would just also say that we're going to have to have interaction between a homeowner or an applicant and our Staff who will be charged with overseeing whether or not they're complying with these things. Just like at the Development Center, I mean there all sorts of things we may not be facile with, but the folks who have to regulate it ...

Mayor Burt: Council Member Schmid, if you wanted to add language that the flow rate will be metered, why don't you offer that as a proposed amendment? If you don't, then you're free to make whatever amendment.

Council Member Schmid: It would be helpful to have a simple sentence, "6A," saying the dewatering flow will be metered.

Mayor Burt: Do the maker and the seconder accept that?

Vice Mayor Scharff: That's fine.

Council Member Kniss: (inaudible) saying yes?

Council Member Berman: Yeah, Scharff said yes.

Mayor Burt: You as the seconder?

Council Member Kniss: yes.

Mayor Burt: That's incorporated into the Motion.

AMENDMENT RESTATED AND INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to Part A of the Motion, "add a sixth change, 'dewatering flow will be metered.'"

Mayor Burt: Anything else?

Council Member Schmid: What about a cap on household dewatering?

Mr. Bobel: We didn't feel that we could propose that as a recommendation without a lot of very serious homework. Therefore, we put it in Group 3.

Council Member Schmid: We are headed into a year where we're not putting any constraints on the number or the amount.

TRANSCRIPT

Mr. Bobel: No, I would say that we have, to me, a very important part of this. Let me just read it again. I tried to emphasize it in the presentation. Let me just read you. There's two parts of what we called avoidance measures that the builder/owner has to do. This is under Number 3 on the back side of the one-page document. Right at the top of the page, Number 3. The first sentence talks about avoidance measures that would be triggered by the builder having found that there was a significant likelihood of an impact. However, the second sentence is the one that I call your attention to. It says avoidance measures are also to be employed to the extent practical to minimize the flow rate and duration of the pumping even when offsite effects are not specifically identified. I realize you could say there's a leap, how do you determine minimization. We just couldn't think of a way to quantify this. There will be a dynamic, a back and forth, with the applicant trying to ensure the—it's in their best interest to minimize that now, because now there's a finding that they have to make. They're in a new world. If they're not minimizing both the duration and the rate of this, it just puts them in a much more difficult position to make this finding under "2G" that they have to make. I think that that really is an important sentence in Number 3 that I just read. It will result in less flow and less duration.

Council Member Schmid: Let me make an amendment to Number 3, second sentence, to say above 6 million gallons per household avoidance measures will be employed to the extent practical and so on.

Vice Mayor Scharff: I think that's weakening it. That's weakening it. Staff says you will make all efforts to minimize the flow, so I don't really want to weaken this and make it less effective.

Mayor Burt: You're not accepting that.

AMENDMENT: Council Member Schmid moved, seconded by Council Member XX to add to the Motion, "replace in Draft Requirements for Submittal of a Determination... 'avoidance measures are also to be employed to the extent practical' with 'above 6 million gallons per household avoidance measures will be employed in some way practical.'"

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

Mayor Burt: Council Member DuBois.

Council Member DuBois: I'll try to be quick. First I want to say thanks to Save Palo Alto's Groundwater. It's not often we get a 44-page white paper from three PhDs and an engineer in hydrology from a credible institution. It's impressive work. We just had our Sustainability Summit which included

TRANSCRIPT

ideas about conserving groundwater. I think part of this discussion is just recognizing the desire to connect, I think, our environmental programs with our construction rules, which we do in a lot of areas. We're also kind of in new territory with a severe drought that could be a very long drought. Our current construction rules were developed during normal rainy years. I think our challenge from a policy perspective is how do we assign value to water that has been viewed as construction waste, and we're now wanting to conserve and get value out of it. I very much appreciated the letter from Rene Wood. I don't know if Staff saw that letter. I'd appreciate it if you guys could review and consider—she had some detailed clarifications, I think, to the notice which I think they just added clarity. If you could take a look at that. Also I think somewhere it said that the hydrology information would be available publicly, and I hope it'll be online so that it's accessible to people. Personally, I'd like to go further. I just wanted to say I think this is an important step, so I will support the Motion. I look forward to moving forward with Tiers 2 and 3 and having those discussions. Thanks.

Mayor Burt: We have no more speakers. Council Member Filseth.

Council Member Filseth: I'll be very brief. I'm going to support the Motion too. I think this looks fairly cut and dried actually. I do think the Save Our Groundwater group's reading was interesting and useful. My question is really about can you comment a little bit on what your expectations are for timeline. I mean, I think this can be pretty hard. Let's say that at the end of this process we did want to implement some of these things in Group 3 or in the Save Our Groundwater like limit the number of months you can pump and so forth, what is your best guess as to what timeframe we would get to actually doing something? Do you think it's six months or do you think it's the start of the next construction season or you think it's three years from now? Any thoughts?

Mr. Bobel: We're committed to coming back to you the first half of the calendar year on the Group 3 activities in general, which is probably what you're most interested in. The Group 2 stuff, I think we're moving as fast as we can. It's a more technical work with the Water District. What you're really interested in is the Group 3 stuff. We will come back the first half of the calendar year to have a discussion with you on that. Then, I think it's just going to depend on what your direction is, how difficult the items that you direct us to look into will be. I think it's very hard to predict beyond that.

Council Member Filseth: If you had to stick a finger in the wind, then you're thinking sort of mid-2017 would be the kind of timeframe?

TRANSCRIPT

Mr. Keene: I think we're saying it's premature. There's a range of issues in Group 3. Some things might be easier to do. There's the technical, there's the legal issues. Again, the same thing I keep saying that the Staff we have working on this item are also working on ten other simultaneous environmental items. We've got to figure out how we can support all of those. We want to be thoughtful about it. This is why at the end of the three-hour session Policy and Services had—I mean, actually they were running away with ideas, I mean, like crazy as you can see. It was really fascinating, but I think there was this recognition that that's a lot. You need to come back and be thoughtful about what we're doing. I just want to say we're exactly where the Council is. We don't think this is the solution. This was just an intermediate step to try to advance. As the Mayor said last week, you don't score a touchdown from the ten-yard line. We're just trying to move forward a little bit. That was on another issue. We'll put our best efforts to being able to bring back a good estimate this spring.

Council Member Filseth: Thanks.

MOTION RESTATED: Vice Mayor Scharff moved, seconded by Council Member Kniss to:

- A. Approve the five "Group 1" Basement Construction Dewatering Program changes for the 2016 construction season on a pilot basis and add a sixth change, "dewatering flow will be metered"; and
- B. Continue working with the Santa Clara Valley Water District (SCVWD) in an effort on developing a further understanding of the north county groundwater systems, impacts of groundwater pumping, and opportunities for enhanced groundwater recharge. Direct Staff to provide an update on the work plan for this effort to the Policy and Services Committee in the first quarter of 2016; and
- C. Direct Staff to prepare a report for the Policy and Services Committee in the first half of 2016 to discuss Group 3 matters and the development of a potential recommendation to Council to direct additional work in one or more of these areas.

Mayor Burt: Please vote on the board. That passes 7-2 with Council Members Schmid and Holman voting no.

MOTION AS AMENDED PASSED: 7-2 Holman, Schmid no

Mayor Burt: That concludes Item Number 11. We are now moving onto Item Number 12. Items 12 and 13—I'm sorry, 13 and 14. I renumbered them. We're anticipating that they are going to be very brief. If they are

TRANSCRIPT

not, we're going to have to figure out something else on what we do with the Agenda tonight, because "14B," former Item Number 12, is likely to have some substantial discussion. We just had a Retreat and talked about how we were going to address our efficiency. I would argue that we really didn't exercise that under Item Number 11. We weren't succinct, and we didn't value the work of Policy and Services even though Policy and Services had acknowledged that it was legitimate to bring this to the full Council.

At this time Council heard Agenda Item 13

13. Approval of a Twenty Five (25) Year Lease Agreement Between the City of Palo Alto and the Museum of American Heritage (MOAH) for the City Owned Property at 351 Homer Avenue, Palo Alto.

Mayor Burt: Item Number 13.

Lalo Perez, Administrative Services Director/Chief Financial Officer: Thank you, Mayor. Lalo Perez, Chief Financial Officer. I'll try to be brief with my comments. A lot of the information is in the Staff Report. Back in 1997, the City and the Museum of American Heritage entered into a 20-year lease that included the requirement for extensive repairs and restorations to the main house and the original garage. That work was done. In addition, there was a new educational building, accessible restroom and restoration of the property gardens. According to MOAH, that's how I'll abbreviate it, they spent over \$1 million with those renovations plus maintenance. The lease ends in 2017, and MOAH is requesting the City enter into a new 25-year agreement to allow for the continuation of the maintenance and additional capital work. The capital work is listed in the letter of the request that is attached in the report, Attachment A, and it's packet page 886. You will see there's work for the structure and the exterior. There's also in that letter, in that page, a list of the civic contributions that MOAH has made over the years. In reviewing their request, we also asked them to submit their funding availability. From reviewing the funding statements, it appears that there's sufficient funds to address the work that they want to complete. We went through our policy and procedures. We did two notifications in our local newspapers in December, advising the community that there was a request for this lease to be extended for 25 years. We also notified within 300 feet property owners and tenants. To date, there have been no requests for the property. What we are asking from the Council is that you move forward with authorizing the City Manager to negotiate a 25-year lease with MOAH. Jim Wall from MOAH is also here tonight and can answer questions that you may have. That's our presentation.

TRANSCRIPT

Mayor Burt: Thank you. We have two speaker cards. The first is Beth Bunnenberg, and the second is Jim Wall. You're welcome to speak up to three minutes, but don't feel obliged to use it all.

Beth Bunnenberg: Beth Bunnenberg, 2351 Ramona Street. I'm speaking as an individual tonight. Very much in support of renewing the lease for the Museum of American Heritage. Just about three points. First of all I've observed that the museum has been very prudent in its financial management. This has been a big part of their success in rehabbing the building and all the things that were listed. Secondly, they have attracted a large number of very skilled and talented and delightful volunteers who have served for many years and done things that many museums have to pay to get done. This is a real strength for the museum. It also has had very professional directors that have directed these people. I strongly support this recommendation. This is a true Palo Alto success story. Thank you.

Mayor Burt: Thank you. Our final speaker is Jim Wall. Welcome.

Jim Wall, Board President MOAH: Good evening. Thank you. I'm the current President of the Board of the Museum of American Heritage. Also present is Sandra Roorda, the museum Executive Director. We primarily wanted to be here to make sure we could answer any last minute questions you had, to address any issues you might have, and maybe to thank you, to take the opportunity to thank the current City Council and past City Council and the City Staff that basically have given us the opportunity to steward the Williams House and its gardens. We certainly look forward, anticipate being able to do this in the future also. I don't particularly want to sell the museum at this time. If you'd like, I will do that though. Thank you.

Mayor Burt: Thank you. Returning to the Council for questions, comments and hopefully a Motion promptly. Council Member Holman.

Council Member Holman: I'll be quick. The thank you is to you. It's a wonderful museum, and I think it's one of the best kept secrets around the Bay Area, quite frankly. A quick question for Staff. The Staff recommendation is to authorize the City Manager to negotiate and enter into a new 25-year lease agreement. A question about that. Why would it not be to authorize the City Manager to extend the current lease for a new 25-year lease? What's to be negotiated?

Mr. Perez: We need to incorporate any new requirements that have changed since that lease was established. We've got to work through those changes and talk to the Board and finalize those details. We haven't had time to get into all of that level of detail at this point. That's why we need the negotiation parameters.

TRANSCRIPT

Council Member Holman: New requirements such as?

Mr. Perez: Looking at any triggers for prevailing wages, we need to look at that. We need to understand their projects better, so we need to have that discussion. That's why we said we need to—in the terms we have language under packet page 895 legal boilerplate, the lease term should be consistent with the City's updated lease template. Those are the type of discussions we need to have. Understanding their projects and ensuring that requirements are set and we have some of that language in the terms as well to ensure that the permitting process and review process happens.

Council Member Holman: I was hoping actually we could do this last year, because it was an anniversary year for them. I'm going to move the Staff recommendation. I just was hoping that all the issues could have been resolved and questions resolved before it came to the Council. I'm happy to have the museum have the assurance that this is going to happen, but it would be nice if it was kind of like more stitched together. I'll move the Staff recommendation.

Council Member Filseth: Second.

Mayor Burt: That was seconded by Council Member Filseth.

MOTION: Council Member Holman moved, seconded by Council Member Filseth to authorize the City Manager or his designee to negotiate and enter into a new twenty five (25) year lease agreement between the City of Palo Alto and Museum of American Heritage (MOAH) for the City owned property at 351 Homer Avenue, Palo Alto upon expiration of the current lease agreement in 2017.

Mayor Burt: Did you wish to speak further to your Motion?

Council Member Holman: Only just thank you to the Board and the organizers and the original organizers of the Museum of American Heritage. It is a really great community asset, especially at Christmas time with the LEGO exhibit which attracts, I think, thousands of kids.

Mayor Burt: Council Member Filseth.

Council Member Filseth: My kids like the LEGOs.

Mayor Burt: I had cleared the board. Now we have anyone who feels obligated to speak to the Motion. Council Member DuBois.

TRANSCRIPT

Council Member DuBois: I just want to say it's a really great museum. The classes that they offer for teenagers are outstanding. The Fix It weekends are great as well.

Mayor Burt: Thank you. I see no more lights. Please vote on the board. That passes unanimously. I don't want the brevity of the item to reflect anything other than a wholehearted embrace by the City and the Council for having such a wonderful museum in our community. We look forward to the next 25 years, at least. Thank you.

MOTION PASSED: 9-0

14. PUBLIC HEARING: Adoption of an Emergency Ordinance of the Council of the City of Palo Alto Adding Chapter 9.16 (Medical Marijuana Cultivation and Delivery) to Title 9 (Public Peace, Morals and Safety) of the Palo Alto Municipal Code to Prohibit Medical Marijuana Cultivation and Delivery in Palo Alto Pursuant to California Assembly Bills 243 and 266 and Senate Bill 643. This Action is Exempt Under Section 15061(b)(3) of the California Environmental Quality Act.

Mayor Burt: Now we move onto Item Number 14 which is a hearing of an adoption of an emergency ordinance of the Council adding Chapter 9.16, medical marijuana cultivation and delivery, to Title 9, Public Peace, Morals and Safety, of the Palo Alto Municipal Code prohibiting medical marijuana cultivation and delivery in Palo Alto pursuant to California Assembly Bills 243 and 266 and Assembly Bill 643. If the City Attorney could briefly give us also the context for why this is coming forward at this time and the ramifications of taking this action.

Molly Stump, City Attorney: Thank you, Mr. Mayor, Council Members. City Attorney Molly Stump. I'm going to try to best Lalo Perez's shortest item ever by starting with where I think we possibly want to end up. This situation is evolving at the State level. The item is before you tonight, and it's before you as an urgency ordinance because there was a trigger and technically still is a trigger in State law that would require the City Council to take action on the cultivation piece in particular or potentially lose the ability to regulate that in Palo Alto. The current State law requires cities to take action and to have an enacted ordinance, an effected ordinance by the first of March. However, the State Legislature has been working on a fix that would remove that time requirement. This work started in December, and it passed out of both houses of the State Legislature last Thursday and was sent to the Governor at 2:00 on Friday. As of today at 5:00, we had not any word that he had signed it. Knowledgeable observers felt that he is very likely to do that. If the Governor does sign that fix legislation, then this is

TRANSCRIPT

item that the Council very well will like to take up but not in any urgent way, and there would be time to bring it back when it's more convenient on the calendar. The Council could discuss whether it wants a straightforward ban or whether it wants some other type of regulation on both cultivation and delivery and could consider referring that to a Committee for further work. The State anticipates putting its regulatory regime in place by January 1st, 2018, so that does give Palo Alto quite a bit of time, assuming that the current trigger is removed by the Governor's signature later this week. The Council could take this up at a later time. My suggestion for tonight, Council of course could review the item, and you could take it up tonight. If you wish to conserve your time and see what happens at the State level, I could work with the Clerk, and we could see what happens with the Governor. If he does not sign this bill, then we would bring this back to you on one of the next two Agendas, because it would be important for the Council to have the opportunity to take action and preserve local land use authority on cultivation. If he does sign it as expected, then I think we would work as a Staff to identify an appropriate time which might be several months out to bring the item back for a substantive discussion.

Mayor Burt: Thank you. We have three members of the public who wish to speak to this. Hopefully they will have understood the context that the City Attorney just delivered. Each speaker will have up to two minutes to speak. Our first speaker is Scott Dunlap, to be followed by Herb Borock.

Public Hearing opened at 10:00 P.M.

Scott Dunlap: Thank you, City Council Members, for giving me some time to speak. My name is Scott Dunlap; I'm a 20-year resident here in the Bay Area. I'm also an executive for Eaze which is a company that does medical marijuana delivery to patients in 100 cities here in California as well as Palo Alto. I pulled up some statistics so that you would know. I think this is the 33rd city council meeting I've been to thanks to the League of Cities and that March 1st deadline. I know you guys are under some pressure. It's a rare occasion that as a Silicon Valley guy I get to come up and share some data to help. I'm specifically addressing the delivery part of it. Cultivation, dispensaries, I totally understand if you want to lock those down. There are currently 2,291 patients in the Palo Alto area that we serve doing deliveries largely for chronic pain, anxiety, seizures and other palliative care as well. Many of them don't have access to cars or can't use cars, and so depend on a delivery service in order to get their prescribed medicine. It's very safe doing delivery. Matter of fact that's why we started the company. We knew that delivery could be safer than a dispensary. In the 11,605 transactions we have done September, we have had zero crime related issues. Matter of fact, in the 300,000 transactions we've done in 100 cities, we've only had

TRANSCRIPT

four with three of them being in the same section in LA all in the same day. Once we lock that down, we're finding out that it's actually quite safe. I know if you guys rush to do this and pass this ordinance and also ban delivery in the process, that's a couple thousand patients that are not going to have access to the prescribed medical marijuana that they have. I have 28 Palo Alto residents, more than happy to share their stories at the time, if you guys would like to know more about this. I'd also like to offer my help and all of the data that I have to help you understand this. I know as I went to—excuse me—Redwood City and others, this is all new. It's all new, getting actual data about what's happening in your City. I'd like to offer that.

Mayor Burt: Council Member Berman has a quick question.

Council Member Berman: This is a very, very quick question. You said 2,000-plus folks in the Palo Alto area. Is that Palo Alto or is that a broader region?

Mr. Dunlap: I include Palo Alto and East Palo Alto. I wasn't sure if that was in your jurisdiction.

Council Member Berman: Got it. It's not, but when you send us more info, maybe carve those out, assuming you send us (crosstalk).

Mr. Dunlap: Yeah. There's some unincorporated areas, I think, right around Palo Alto, I'm guessing. I'm just drawing a circle.

Mayor Burt: Thank you.

Mr. Dunlap: You're welcome. Thank you for your time.

Mayor Burt: Our next speaker is Herb Borock, to be followed by Stephanie Munoz.

Herb Borock: I recall reading in the newspaper that the Governor did sign the bill. This was a late-arriving packet item, and I did not pick up a copy until today. With the other items I had addressed you on, I didn't have a chance to respond or follow up on that. I don't think it's an urgency item. I believe it makes most sense to defer action. If the Governor has already signed it or we expect he will sign the bill, that there's adequate time to adopt an ordinance as a regular ordinance rather than an urgency ordinance. Thank you.

Mayor Burt: Our final speaker, Stephanie Munoz.

TRANSCRIPT

Stephanie Munoz: Good evening, Council Members. Do consider we are sitting in a City Hall of a City which was founded, created, built so that there would be a town without alcohol for the students of Stanford. Everybody knows that. It's no secret. At the time of the civil rights movement, when the restrictive covenants on having people of other races not live in precious Palo Alto, they decided we might as well get rid of those restrictive covenants about selling alcohol while we're at it. Why not? Think of all the money we could make. They did, and we did. The co-op went out of business. I think it's the height of hypocrisy for people to be against marijuana which is certainly no more harmful than alcohol. However, I'm somewhat of an expert, at least as experts go, because I happen to own a large property in Potter Valley which is the marijuana capital of the world. When we had to rent our farmhouse out a year or so ago, we had people coming who were anxious to have a place where they could grow medical marijuana, and these were respectable people. These were not lay-abouts; they were not funny people. They were regular ordinary citizens, bourgeoisie if you will. I was very impressed with them and terribly sorry that they couldn't grow marijuana on our property because it's right next to a school. I was very impressed with the type of people that were looking to use this drug, and I would like you to give some consideration to them. They have some rights too. Thank you.

Public Hearing closed at 10:06 P.M.

Mayor Burt: Thank you. Council Member DuBois.

Council Member DuBois: I'd like to move that we continue this item to another meeting in February.

Council Member Kniss: Second.

MOTION: Council Member DuBois moved, seconded by Council Member Kniss to continue this Agenda Item to a February Council Meeting if necessary.

Council Member DuBois: Again, my understanding it's because of this State law. We need to pass something by March 1st to maintain local control. Let's wait and see if the Governor fixes it. I think the main thing we want to do here is just preserve local control, to define the terms.

Ms. Stump: Mr. Mayor, may I just clarify the intent of the Motion? If the Governor does remove that time limit, is the maker of the Motion comfortable with the Staff coordinating to find a more convenient time on your calendar?

TRANSCRIPT

Council Member DuBois: Yeah. To move to another meeting in February if necessary.

Ms. Stump: Thank you.

Mayor Burt: Thank you. I've cleared—Council Member Kniss, you want to speak to your second?

Council Member Kniss: Yes. I would have said the same, because it sounds as though he may actually sign it. For the person who spoke to us, the numbers would be very helpful. We wonder if you're also including Stanford.

Mr. Dunlap: (inaudible)

Council Member Kniss: Just Palo Alto and East Palo Alto. Good. Interesting information. Thank you.

Mr. Dunlap: (inaudible)

Mayor Burt: Vice Mayor Scharff:

Vice Mayor Scharff: Just two questions. The first is on the March 1st deadline. If the Governor doesn't sign the bill, do we have to have the second reading by then or do we just have to have passed the first reading?

Ms. Stump: An ordinance needs to be effective. If it was a traditional ordinance, you would need both the second reading and the 30-day referendum period. An emergency ordinance requires one reading and goes into effect immediately. That's why it is an urgency ordinance.

Vice Mayor Scharff: Any time in February works for us.

Ms. Stump: It does.

Vice Mayor Scharff: The second thing is that, at least for me, I probably couldn't support the ordinance as long as it has the ban on delivery. I think that people who are sick and ill, often people with cancer do use medical marijuana. I see no downside to the City frankly of having the current delivery services. If you do bring it forward, I actually would like to see two versions of it since it's an emergency ordinance. I don't have to make a Motion where we say, "Let's just strip out that part."

Ms. Stump: Fair enough. It's easy to do. We'll bring forward the two separately, so that you can consider them separately.

Vice Mayor Scharff: Thank you.

TRANSCRIPT

Mayor Burt: Please vote on the board. That passes unanimously.

MOTION PASSED: 9-0

12. Adoption of an Ordinance to add Section 10.50.085 (Eligibility Areas) and to Amend Section 10.50.090 (Modification or Termination of Districts) of the Palo Alto Municipal Code Relating to Residential Parking Programs; Adoption of a Resolution Amending Resolution 9473 to Implement Phase 2 of the Downtown Residential Preferential Parking (RPP) District Pilot Program; Approval of Contract Amendment to SP Plus for \$94,000 for Additional Services for Parking Permits and On-Site Customer Service, Approval of Contract Amendment to SERCO for \$60,000 for Enforcement of Expanded Area of Downtown RPP District, Approval of Contract Amendment to McGuire Pacific Constructors for \$154,500 for Construction Services for Expanded Area of Downtown RPP District, Approval of Budget Amendments in the General Fund, Residential Parking Permit Fund, and Capital Improvement Fund, Approval of the RPP Administrative Guidelines. These Actions are Exempt From the California Environmental Quality Act (CEQA) Pursuant to Sections 15061(b)(3) and 15301 of the CEQA Guidelines.

Mayor Burt: we can now move forward to Item Number 12, adoption of an ordinance—I won't read it in its entirety. It's the item regarding Residential Permit Parking. We have to go through an extraordinary procedure because we have Council Members who have conflicts of interest. First, City Attorney, we should be stating the nature of our conflict, is that right?

Molly Stump, City Attorney: Thank you, Mayor Burt. There's an at-places memo before the public and the Council that describes the procedure this evening. Just to recap briefly, orally. Five Council Members have interest in real property in or very near the Downtown RPP district as it is proposed to be expanded. Four of those are residences, and the addresses are not subject to disclosure. Those are Mayor Burt, Council Member Berman, Council Member Filseth, and Council Member Holman. Vice Mayor Scharff has a real property in a non-residence at 616 University Avenue. Those five interests do meet the standard under the State law for a potential conflict and do require those members to recuse themselves. There is a procedure under State law for allowing in very narrow circumstances where it is legally required a conflicted member to participate in the governmental decision. Because the Council needs five votes in order adopt a resolution or an ordinance or approve a contract, all of those things are before you this evening. We will be selecting one Council Member. The Clerk is prepared to do that as the FPPC has recommended by a random drawing here this

TRANSCRIPT

evening. There you have it; that's the procedure. City Manager Jim Keene is also conflicted and will need to leave the room also because of real property interest in his personal residence within the district. Thank you.

Mayor Burt: Since I'm a new addition to this conflict, I will clarify that it is because my residence is within approximately 490 feet of the expanded area, and there is a line of 500 feet. That's the rule. In any event, we need to go forward with this process of the drawing straws at this time. Is that the next step?

Beth Minor, City Clerk: Yes. We can draw the straws. We have all five names on pieces of paper, and we're going to put them into the hat, and then I'll draw the name of the person who will be staying.

Mayor Burt: Let's do it. Just while we're waiting so that the public also understands that even though only five Council Members will be permitted to participate, it requires five Council Members voting in favor of the ordinance for it to pass. It would have to have unanimous support of the remaining Council Members who are allowed to participate.

Ms. Minor: Council Member Filseth's name has been pulled from the hat.

Mayor Burt: We don't get to pull our own names. I will ask Council Member Schmid to chair the remainder of the meeting. I'm sorry. I had been asked—because the Council Members who are conflicted will not be staying around necessarily to the end, we have Council Member Questions and Comments. If it's all right, we'll take a brief moment to do that. Interrupt this item and then return to it.

At this time Council heard Council Member Questions, Comments and Announcements.

Council Member Questions, Comments and Announcements

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: I just wanted to tell everyone that the Assembly Speaker appointed a new committee on Bay Area Regional Planning. That'll address the planned merger of ABAG and MTC, the lack of affordable housing, the environment, transportation and other regional issues. I think we should actually watch what goes on in that committee, because that could be frankly a threat to local control. I think we should ask Staff at some point to start monitoring that or Council Member Berman since he's up there every week as far as I can tell.

TRANSCRIPT

Mayor Burt: Council Member Holman.

Council Member Holman: Just very briefly. Four of us went to and electeds from other communities went to an event last Friday morning led by Lieutenant Governor Gavin Newsom regarding an initiative that he's trying to get on the ballot regarding gun and ammunition safety. I will just hand each of you who weren't there a card that you might want to consider.

Mayor Burt: Council Member DuBois.

Council Member DuBois: Just because of all the people that were here today, I want to let Staff know I am working on a Colleagues Memo for Evergreen Park. I would like to discuss that with you guys.

Mayor Burt: I just want to note that yesterday I was able to attend the 85th anniversary of the Palo Alto Players. I was reminded that the Lucie Stern Community Theatre was built to accommodate them, and that they were the first community theatre on the Peninsula. It's a very rich heritage.

At this time Council returned to Agenda Item 12.

12. Adoption of an Ordinance to add Section 10.50.085 (Eligibility Areas) and to Amend Section 10.50.090 (Modification or Termination of Districts) of the Palo Alto Municipal Code Relating to Residential Parking Programs; Adoption of a Resolution Amending Resolution 9473 to Implement Phase 2 of the Downtown Residential Preferential Parking (RPP) District Pilot Program; Approval of Contract Amendment to SP Plus for \$94,000 for Additional Services for Parking Permits and On-Site Customer Service, Approval of Contract Amendment to SERCO for \$60,000 for Enforcement of Expanded Area of Downtown RPP District, Approval of Contract Amendment to McGuire Pacific Constructors for \$154,500 for Construction Services for Expanded Area of Downtown RPP District, Approval of Budget Amendments in the General Fund, Residential Parking Permit Fund, and Capital Improvement Fund, Approval of the RPP Administrative Guidelines. These Actions are Exempt From the California Environmental Quality Act (CEQA) Pursuant to Sections 15061(b)(3) and 15301 of the CEQA Guidelines.

Mayor Burt: Now we'll return to Item Number 14B, formerly Item Number 12. Turning the meeting over to Council Member Schmid.

Mayor Burt, Vice Mayor Scharff, Council Member Berman, and Council Member Holman left the meeting at 10:15 P.M.

TRANSCRIPT

Council Member Schmid: As we move into this, if any Council Member leaves, we've got to suspend the session. If someone wants to take a five-minute break before we start. Item Number 1 4B, adoption of an ordinance dealing with the residential parking programs. Hillary, do you want to introduce it?

Sue-Ellen Atkinson, Parking Operations Lead: I am. Good evening. Thank you for having us back tonight to talk through more of the Phase 2 program for the Downtown RPP Program. When we were here in December we provided an overview of Phase 2 of the Downtown Residential Preferential Parking Program. At Council direction, we've returned tonight with additional information. Tonight we'll be going over the updates to the Citywide RPP Ordinance and the additions to the Downtown RPP Resolution. We'll also go over the RPP Administrative Guidelines, and then looking more closely at the Downtown RPP District. We'll look at the Phase 2 proposed boundaries and employee parking zones, and then talk about a couple of contract amendments that we've included for administration of the Phase 2 portion of the program. I'm sorry. I didn't introduce myself. Sue-Ellen Atkinson. I'm Parking Operations Lead for the City. Looking at the Citywide RPP Ordinance. This is a very broad, overarching ordinance that serves to cover any RPP District within the City. It was adopted just over a year ago, December 2014. We reviewed it December 2015 with an eye towards any updates that were necessary at that time based on our experience with the current pilot program. The additions or changes that were made that are up for your review include an opt-out process for streets within a district. As written, there's an opt-out option for streets, but it has to be done within 90 days of adoption of the RPP District. What we wanted to do was to offer a recurring option for streets that are part of a district to opt-out and not be confined just to the first 90 days after the program has been adopted. The opt-out process is an annual option that would be reviewed March 31st of each year for any streets within an existing RPP District that no longer wanted to be a part of that RPP District. The other addition to the ordinance is the establishment of eligibility areas adjacent to any existing RPP District. What that means is geographical areas that are adjacent to an existing district would be essentially preapproved for annexation or addition to that RPP District. The streets that would be approved as an eligibility area would not necessarily be added to the RPP District, but they would be preapproved to opt in through a petition and survey process administratively rather than being annexed by City Council each time. Moving into the Downtown RPP Resolution, this resolution is specific is to the Downtown RPP Program. The first portion of the update is the updated boundary looking at Phase 2. The first update is certain streets, about a dozen or so, have submitted petitions to our department to be annexed into the existing Downtown RPP District. What that means is that we set a deadline of, I believe, mid-November. The

TRANSCRIPT

streets submitted a completed petition including signatures from at least 50 percent of the residents on those streets expressing a desire to be annexed into the existing Downtown RPP District. If approved, those streets would be added to the Downtown RPP District right away. The other update to the Downtown boundary is the recommendation for eligibility areas to the east and to the south of the existing boundary that again would be preapproved for future addition. They would not necessarily be added right away, but that would be dependent on the residents on those streets determining that they've been impacted by parking and submitting a petition to be added to the Downtown RPP District. They would be added administratively and not through an annexation process. The other update in the Downtown RPP Resolution is as discussed in the December 14th meeting with you, an overall limit of 2,000 annual employee permits. That would be 2,000 active permits, and those would be the annual permits not a shorter-term permit. The third update that's contained in the resolution is the establishment of the employee parking zones. In December we were calling them micro zones. We've kind of settled into employee parking zones as the designation for that. We'll talk more about that later in the presentation. We've also brought the RPP Administrative Guidelines for your review and adoption. These Administrative Guidelines are kind of a guiding document that serves alongside the Citywide ordinance. It's meant to be applicable to all RPP Districts and essentially takes the ordinance and provides further clarification including the structure of an RPP Program, eligibility for residents, details about certain types of permits, how to handle visitors in RPP Districts. It handles allocation of permits in zones where that's applicable and includes a policy for replacement of permits. Once these Administrative Guidelines are approved, any further edits would be approved administratively by the Planning and Community Environment Director. Before we go more in-depth on the Phase 2 updates, just a look back at the objectives of our overarching goals for Phase 2 of this pilot program. The first is to disperse employee vehicles more throughout the Downtown RPP District. Right now employee vehicles are clustered near the Downtown core, so we're looking to be able to disperse those more evenly. Second was to determine whether and how to limit employee permit sales within the Downtown District. The third objective was to anticipate spillover to new areas after streets have been annexed to the district. The fourth was to provide an option for areas to petition and opt into the Downtown RPP Program when necessary. Just as a reminder, it's a trial program, and the aspects of the program can be adjusted as needed when moving forward. Looking at the Phase 2 boundary, this information is included in the Downtown RPP Resolution. A little difficult to see on this screen; it's more easily seen in the PDF. The yellow streets that are shown to the south and to the east of the existing boundary are the streets that have submitted petitions by the November deadline requesting to be annexed into the existing Downtown RPP Program.

TRANSCRIPT

Those yellow streets, if the Downtown RPP Resolution is approved by Council, would be immediately annexed into the existing program. They would be subject to the existing structure. We would start doing field work for the RPP signage to be installed. Those residents would be eligible to purchase RPP permits. I'm sorry, obtain Phase 1 RPP permits through the online permit sales website. Those again are the yellow dashed lines. There's about a dozen in total, and they've submitted completed petitions already by the deadline and have requested to be added immediately to the RPP District. In looking at those areas that requested to be added to the Downtown District and in an effort to analyze where spillover may occur when those streets are added, we've proposed the blue areas for future inclusion as eligibility areas. Those eligibility areas would be preapproved to petition into the RPP District when they feel that it's necessary. They would not automatically be added. It would be a petition and survey process. Being preapproved means that could be added to the Downtown District through an administrative process. Looking at the employee parking zones, this is an effort to disperse the employee parking more evenly throughout the district. Right now during Phase 1, employee permits are valid anywhere on-street in the Downtown RPP District where RPP signage is up. Naturally people are tending to park closer to where they work to cut down on the amount of walking that they need to do, as many of us probably would also do. In looking to disperse employee parking more equally throughout the district, what we've done is divide the Downtown RPP District into ten zones. We had a stakeholder meeting where we presented two options that Staff had determined on how to break up the Downtown RPP District into zones and solicited feedback from the stakeholders on their thoughts on those two options. The first option was zones that were more square. In the second option, more zones similar to this that are kind of long, horizontal rectangles. After some discussion and some editing of those, we came up with this solution that the stakeholders who were present at that meeting were comfortable with. Looking at the long, rectangular zones, for lack of a better word, very skinny. They're just one block deep, several blocks long. Having the longer side of the rectangle nearer to the Downtown core allows us to distribute those vehicles more evenly among that boundary. In each zone, what we've done is have full streets contained in the zones. There's no place where the zone breaks down the middle of the street. Staff felt that based on discussions with our enforcement Staff that having both sides of the same street within the same zone would be more clear from a driver's point of view and also from an enforcement point of view. Permits in each zone would be sold on a first-come-first served basis. An employee would be purchasing a permit for a specific zone. If I go to buy a permit and I buy a permit in Zone 4, I will be limited to parking just within Zone 4, of course, for longer than two hours. The two-hour limit is still in place for those who are parking without a permit. Anyone can park

TRANSCRIPT

in the Downtown RPP District with no permit for up to two hours. As an employee, I'm limited to whatever zone I purchase a permit in. As a resident, I would be able to park anywhere within the Downtown zone. As I mentioned, the zones include the north and south faces and actually the east and west faces of the streets where possible. That's for clarity for drivers and also for enforcement and to avoid crowding on the faces of the boundaries that are closest to Downtown. Again, the resident permits are valid anywhere within the Downtown RPP District. At the December meeting, Council directed Staff to move forward with an annual permit cap for employees of 2,000 annual permits total. Obviously those permits need to be divided among the zones. Given that the zones are of differing sizes, doing a strict division of the permits was not the most equitable way to move forward. What we looked at doing was having more of an equitable distribution based on occupancy rate. That is looking at all of the available parking spaces in any given zone and having the percentage of those spaces that would be sold as employee permits roughly the same from zone to zone. We were able to get about 30 to 40 percent of parking spaces available equal to the number of employee permits per zone. Looking at the zone map, on this graphic we've put in the number of permits that we're recommending to be sold per zone, keeping in mind that that's the number of permits that are sold. That's not necessarily the number of employees that are parking in that zone on any given day at any given time. Just for an example of that, in the Downtown garages, we oversell the number of permits. The number of permitted spaces could be 200, and we would sell 300, 350 permits. There are still permit spaces available even though the permits have been oversold. That's an effect of people not driving to work every day or not working every day. It's based on data collection in the Downtown RPP District and also our experience with the permit parking in Downtown. We know that people who have permits are not parking every single day. Just a point of clarification on that, that the number of permits allocated to each zone is not necessarily the number of employees that would be parking there on any given day. Looking at Zones 9 and 10, because those contain a few streets that have requested to be annexed in but are primarily made up of eligibility areas, that would not be a part of the Downtown RPP District right away. We have recommended to distribute a small percentage of permits because there's a small percentage of street face that would be available on those annexed streets. There's a smaller number, and then there's a larger number. The smaller number would be the permits that would be made available to employees right away based on the percentage of spaces from the annexed streets. The larger number would be the basically maximum, built-out, if every street opted in number of permits that would be distributed. Again, this equals out to a total of 2,000 long-term permits at full build-out, if you will, of the RPP District and every street that would be eligible opting in. Staff had brought a

TRANSCRIPT

recommendation to Council of reducing that permit cap of 2,000 over time. We are open to a discussion of doing that in the future. We had talked about coming back with a formula at some point, but that number of 2,000 permits is what determined this allocation that's on the screen. Permit types is roughly similar to what we see on the ground right now with Phase 1. In Phase 1, we're relying primarily on permits that are printed from the computer. In Phase 2, we'll be having actual physical permits, but the permit types are generally the same. Residents in the Downtown RPP District would be eligible for up to four annual resident passes. Those are vehicle specific, and they'll be decals that would be adhered to the vehicle. They're not able to be removed; they have security slits in them so that they can't come off in one piece. That makes sure that the car that it's put on is the car that it stays on essentially. Again, those resident permits are valid anywhere in the Downtown RPP District. The first resident permit would be free of charge.

Council Member Schmid: Excuse me.

Council Member DuBois: I didn't mean to interrupt you.

Ms. Atkinson: No, that's fine.

Council Member DuBois: I was going to ask in a second which was you're going to get to the hang tags. Could you just explain like why wouldn't people just buy hang tags instead of the permit stickers?

Ms. Atkinson: Sure. They can get either. Residents can get up to four of the sticker permits, and those are meant for the resident vehicles. They're eligible for one free of charge, and then up to three additional for \$50 each. The hang tags, they're able to get two per household, and those are \$50 each. It's up to the household how they'd like to manage their permits. If they'd rather have one free of charge decal and two hang tags, that's up to their discretion.

Council Member DuBois: They're not tied to cars in any way?

Ms. Atkinson: The hang tags are not. The hang tags are a transferrable permit. It just hangs from the rearview mirror. In the program, they're meant for visitors and for household employees. If you have somebody who frequents your house, like a nanny or a caretaker, basically you'd keep it in your junk drawer and you'd give it to people when they come over. Whereas, the decals are meant for the resident cars, and they get put on and they stay on for a year. Residents also have the ability to get visitor daily scratchers. Those are the two at the bottom. The residents are the green ones. You'll see on those two hang tag permits on the bottom, they're

TRANSCRIPT

called temporary hang tags, and they're kind of a lighter weight paper hang tag. The silver that's on there is like a lottery scratch off. You scratch off the month, the date and the year that you're going to use it, and you hang it from the rearview mirror. They're good for one day, and then you dispose of them. For an employee or for a business, employees are eligible for annual decals. That again is just for one car. You stick it on, and it doesn't come off. Those are available either standard price of \$466 or a reduced price for those who qualify based on income, and that's \$100. Businesses are eligible to purchase a transferrable hang tag, and that's meant for people to share. If you are an employer and you have people who take the train but occasionally need to drive, they could share a permit. If you have somebody who works a morning shift and somebody works an afternoon shift, they can share that transferrable permit also. Employees are not eligible to purchase that transferrable hang tag. They can only buy one for their specific car. Employees and businesses are also eligible for that daily scratch-off scratcher that they can use for one-off parking. Typically a scratcher is used by employees essentially to supplement how they usually get to work. If somebody usually bikes, but they occasionally need to drive, for example, if it rains or if somebody takes the train but has a late meeting so they have to drive one day, that is a primary usage of the scratcher. Also if the business has a meeting and they have somebody who's coming in or interviewing or something of that nature, they can use a daily permit. In Phase 2 we also expect to introduce the five-day scratcher which again, just like the daily ones, it's just like a lottery scratch-off. You scratch off the month and the year, and then you scratch off up to five days. That would be \$15. That primarily is meant to encourage the use of sustainable modes while giving people up to five times per month that they can drive if they need to. Moving to our stakeholder group. We convened a meeting of the stakeholders to review the December 2015 Council direction. Outcomes of that meeting were direction on the employee parking zones, as we presented earlier; an agreement amongst the stakeholders who were present to move forward with the same structure for the streets that are being annexed into the RPP District, so they would be subject to the same rules and permit prices and permit availability as the existing RPP District members. The stakeholders present did express interest in evaluating variable pricing for the zones in the future. They felt that was kind of Phase 2.1, 2.2, something like that. First get Phase 2 on the ground, and then in the future we can evaluate variable pricing as another option. They agreed that the employee parking permits should be allocated roughly equally throughout the zones. That's how we approached the permit allocation as discussed earlier. They did not indicate an interest in pursuing a discussion about limiting employee parking to one side of every street. Those were a few items that Council had requested that we bring back to the stakeholders, and those are the results. We have had a very robust stakeholder process.

TRANSCRIPT

We want to express our gratitude to the stakeholders for all of their input and their time and their patience particularly. At this time, Staff recommends disbanding the stakeholder group and acknowledges that a better use of Staff and stakeholder time would be directed towards quarterly public meetings to share parking data and updates that of course stakeholders and the public would be welcome to attend. That brings us to the contract amendments in support of Phase 2. We've brought tonight three contract amendments. The first is for SP Plus who handles our online permit sales contract. We're requesting a contract amendment to provide onsite customer service for Phase 2. We learned a lot during Phase 1. Part of that learning was that doing permit sales online requires customer service in excess of what Staff was able to provide. SP Plus did a great job of providing that during Phase 1, and so we'd like to have them more available for customer service for Phase 2 in person at City Hall. We've gotten a lot of great feedback from residents, employers and employees on how helpful that was, to have SP Plus staff here onsite to help them with their permits. Going into Phase 2, we want to make sure that we're providing that service. We also are proposing to amend the contract to provide for those physical permits for Phase 2. We've brought a contract amendment for SERCO which is our enforcement contractor to provide one additional enforcement officer for the annexed streets in the proposed eligibility areas. Finally, a contract amendment for McGuire Pacific Constructors, our signage contractor, to provide signage on the annexed streets and also to modify all of the existing signage to denote the employee parking zones. This chart replicates what's in the Staff Report regarding those contract amendments. It's a total proposed budget amendment of just under \$160,000. Our recommendation to City Council tonight is to adopt an ordinance to add and amend sections of the Palo Alto Municipal Code to adopt a resolution amending the existing resolution for Downtown RPP Phase 2 to adopt the RPP Administrative Guidelines and to approve the three contract amendments in support of the Phase 2 launch. That brings us to next steps. We're here tonight returning with the resolution and the ordinance. Moving forward from here will be signage installation and modification on the annexed streets, if approved, and on the existing signage, also if approved. In support of beginning Phase 2 on schedule on April 1st, we anticipate Phase 2 permits being available on sale in early March. Thank you very much.

Hillary Gitelman, Planning and Community Environment Director: Thank you, Sue-Ellen. If I can just add a few words. I'd like to thank Sue-Ellen, also Josh and Jessica Sullivan who's here this evening as well as all the stakeholders who helped us get to this point. You've gotten a lot of correspondence in advance of this meeting including a letter from a lawyer representing some of the members of the public. I know we want to respond to some of those questions, but I thought maybe we would hear the

TRANSCRIPT

public comments first. Those comments may raise the same issues, and we'll be able to respond at the same time.

Council Member Schmid: It's up to the Council if you want some direct questions, short questions to start with. Council Member Filseth.

Council Member Filseth: I can ask a short question. The micro zones, how would we handle enforcement in that? Is that reading license plates or how does that work?

Ms. Atkinson: It would be the same as now. Basically each of the enforcement officers has a beat that they currently walk. The zones would actually make that a little easier, because it would be defined who has one and two, etc. It would be following the same procedure right now with mark moding, potentially exploring a trial of LPR. As we've discussed previously, LPR was not recommended moving forward in this. We've agreed with the enforcement contractor that we might entertain the idea of trying it once.

Council Member Filseth: In your judgment, it's practical and would prevent people from sort of getting a permit for Zone 10, then moving to Zone 1 and so forth.

Joshuah Mello, Chief Transportation Official: The way we've planned thus far is the signage that's installed currently has a space to add stickers. We would add a sticker identifying which zone the block was in. Each permit would also have a matching number that would correspond to that zone number.

Council Member Filseth: Thanks.

Council Member Schmid: Council Member Kniss.

Council Member Kniss: I don't have one now.

Council Member Schmid: I'm sorry. I have seven cards, three minutes apiece. If you want to make it shorter, that might be helpful. Eileen Skrabutenas to be followed by Bernard Gifford.

Eileen Skrabutenas: Can you bring up the boundary map for Phase 2, since I'll reference it? Thank you. I'm here to say that the ordinance in Phase 2 implementation contains some omissions that I think need to be corrected. First, as currently written, the ordinance in Phase 2 plan does not treat all streets within a given distance of a center point in an RPP equally for the purposes of defining eligibility areas. This creates a disparate and unequal impact on similar classes of residents. Since a key criteria for inclusion in an

TRANSCRIPT

eligibility area for the Downtown RPP right now is walking distance, the ordinance should be worded to ensure that all streets within a given radius of a center point should be automatically considered together in any new eligibility area or streets that are added in the future. Second, Sue-Ellen referenced this as in the future it would be an administrative action to add additional streets, but there is no time period included in the ordinance to mandate the review and decision once petitions are submitted requesting addition to an RPP. I would recommend that a time period of 30 or 60 days, whatever is most reasonable, be included to avoid petitions being kept in limbo and not being responsive to the citizens who are impacted by this spillover effect of an eligibility area boundary. I'm a little unclear as to whether the areas that are just outside the blue or Zone 10, Sue-Ellen, would you consider those, if you have signed petitions as I know you do now, as part of the Downtown RPP or a new RPP after March 31st? How long will that take you to review those petitions?

Council Member Schmid: She will answer at the end.

Ms. Skrabutenas: Lastly, you mentioned the hang tags versus the stickers. Is there an option for a resident to opt for their one free permit as a hang tag rather than a sticker? Thank you.

Council Member Schmid: Thank you very much. Next speaker is Bernard—I think Staff will respond when all the speakers are done—Gifford, followed by Norman Beamer.

Bernard Gifford: My name is Bernard Gifford. I live at 842 Guinda. I've been a homeowner in Palo Alto since 1989. I'm a professor at University of California Berkeley. My wife is a professor at Stanford, so we have the classical mixed marriage. My problem with this particular policy is that I cannot figure out whether or not it's a punishment on those of us who live in Palo Alto or it's something designed to limit parking. The punishment starts with the very process of trying to acquire permits. For those of you that have gone through the process, it is very, very cumbersome. Not only that, the infliction of a \$50 nuisance fee is really designed not to raise revenue but in many ways to punish us. Some of us are paying close to \$30,000 a year in real estate taxes, and so it's not the \$50 or the \$60 that's at question, but why impose any sort of fee? It would be very simple to identify the residents in these areas and to send them a note and say do you need two stickers or four stickers. We would forget about the dollar amount. As I said, it's not the dollar amount that's a problem; it's the sense of why are we being punished, why not increase our taxes. It's almost like you're being punished for living in certain parts of the community. The other thing that's something I have personally witnessed since I have a sign

TRANSCRIPT

immediately in front of the place where I live, it has become the first place that people park when they park on Guinda between Homer and Channing, which is where I live. It has become sort of an attractive guidepost, so everybody parks there. That's the first place they park. One of the things that has not happened is that our Staff has refused or has ignored the need to teach a certain level of decorum to people who are going to take advantage of our neighborhoods. In my place, for example, it is positioned so that it can afford normally two cars. Guess what happens every single day? A car comes and parks in the middle. Therefore, I can't park; my wife can't park; my son, a high school math teacher in Fremont, he can't park on the street. The other thing I would ask for is some simple rules on the stickers for people who don't live in the community and ask them to exercise a certainly level of cordiality. In a couple of cases, I've gone out to people, have been very nice in the way I've requested it, could you park in a way that would allow me to park in front of my own house. On a number of occasions I have been called every conceivable name that you can mention. For me, the larger issue is why are you doing this, and is it fair to impose unnecessary burdens on residents that in many ways may be more onerous than those imposed upon workers in the Downtown area. I would ask you to consider all of these issues.

Council Member Schmid: Thank you very much. Norman Beamer to be followed by Benjamin Cintz.

Norman Beamer: Good evening, many Crescent Park residents including myself object to annexing any part of Crescent Park into the Downtown RPP Phase 2 program. It would foist an unwanted tidal wave of nonresident parking onto the neighborhood for the first time in its over 100-year history. That's unfair, unacceptable and it violates State law. Instead Crescent Park should be protected by implementing a resident-only parking permit district like College Terrace. California law limits parking permit to "residents and merchants adjacent to the streets for their use and the use of their guests." I submit that no Crescent Park block is adjacent to the Downtown commercial district. A number of blocks in Crescent Park have already petitioned to join the RPP District, even blocks outside the current proposed eligibility area. These petitioners certainly should be protected. The moment RPP Phase 1 went into effect, they were inundated by nonresident parkers who didn't want to buy a permit. With all the Downtown new office development in the pipeline, it will get even worse if nothing is done. Please don't think that these petitioners are cheerfully agreeing to convert their blocks into a parking lot for the Downtown offices. They were essentially presented with a fait accompli. Submit a petition to allow commercial parking or do nothing and get even more commercial parking. No one gave

TRANSCRIPT

them a College Terrace type of program. Now you can provide them with that option. Thank you.

Council Member Schmid: thank you. Benjamin Cintz to be followed by Mary Dimit.

Benjamin Cintz: Hello. I live in Palo Alto in the Midtown area. My family owns four properties in the SOFA, and two of them are commercial and two properties in the University South area that are residential. I'm also a member of the stakeholder group that's been meeting. I'm here really to speak in support of the Staff recommendation for a simple process for residents in the adjoining areas to opt into this program. The program needs a certain amount of mass in order to be effective. We are in a trial stage in a pilot program. I think it's important that it be given an opportunity to work. I think the Staff's recommendation takes that into account. It takes into account the residents who feel they're most affected by being able to join into that, but it doesn't require that they do so. I think the idea of having an administrative process rather than having it come to the Council each time a street wants to join makes a lot of sense. The other thing is I think the zones that they have come up with is a workable way to go. Again, we're in a trial program, in a pilot program. We need to gather data. I think doing this is a good start. Data can be gathered from this as well as from the other streets that join in and see just how well this is meeting the needs of the residents as well as the businesses and the employees who make Downtown as viable as it is. My last comment is that I would like to see the stakeholder program or stakeholder group continue to the end of Phase 2. Phase 2 is going to last for a year, and I think the stakeholder group has an opportunity to provide useful information, having been in effect for a considerable time from the beginning of this process. Thank you very much.

Council Member Schmid: Thank you. Mary Dimit to be followed by Thomas Rindfleisch.

Mary Dimit: Good evening. I'm Mary Dimit. I've been a resident here in Palo Alto for over 30 years. We live on the far eastern side of the current district, right east of Middlefield Road. We've seen over the last few years no employee parking to now substantial parking, until the permit started. Our concern is there's three equity issues we see in the Staff proposal. I know they've worked long and hard on it. The first issue is equity within and among the zones. Until the latest Staff Report came out, we said we have to do our fair share and get distributed among the district. However, with having these zones, the concern is that each zone will have the streets closest to the Downtown will get over-parked and have a lot more

TRANSCRIPT

employees than the ones farther away from the zone instead of them being more evenly distributed. I understand the stakeholders said they weren't interested in a one side of the block, but I've talked to our neighbors and we'd rather have to cross the block instead of having to go down two or three blocks. Parking on one side of the street, we thought, would be a simple and easy solution instead of multiple zones. The second equity is about special circumstances by block. There are a number of blocks, there's multifamily complexes, there's blocks where many of the homes are older and don't have driveways or garages. When they're in part of the zone and especially if they're in the blocks closest to the zone, then those residents are going to have a very difficult time parking. The third and final is the equity of residential areas outside of Downtown. If there's not a way to address those first two issues of equity, then a number of us are requesting that the Crescent Park neighborhood including all of Crescent Park, east of Middlefield not just of east of Guinda, become a residential-only parking. We believe it's unfair to push the Downtown parking area into a residential area. I'd like to end with please make the Downtown RPP be equitable to the residents of Palo Alto. Thank you.

Council Member Schmid: Thomas Rindfleisch followed by Herb Borock.

Thomas Rindfleisch: Good evening, and thanks for the opportunity to speak to you tonight. I am a member of the Crescent Park Neighborhood Association and have lived in Palo Alto for 30 years. I live on Tevis Place which is right across the street from Eleanor Pardee Park. I'm speaking tonight in support of the proposal that Norm Beamer and Attorney Laura Beaton have submitted to declare Crescent Park to be a resident-only parking zone rather than to be forced to accept commercial parking that basically comes because past Councils have allowed development without the implementation of parking sufficient to accommodate the employees and the clients that are in these businesses. As I said, I live across from Eleanor Pardee Park, and have been there for 30 years. Eleanor Pardee Park is a very heavily used park during holidays, soccer season and other kinds of events that draw people to the park. There is heavy parking on Center and the surrounding area, but we have never had a situation that could not be managed within reason. As I watch the incremental, very complicated changes to the parking rules in Palo Alto, the areas that are affected whether it be Edgewood are with East Palo Alto or now the intrusion of people from the Downtown District, these are moving basically to take over all of Crescent Park and to submit it to the requirement to accommodate outside people in a sort of systematic way that occupies the parking spaces that should be allocated to the residents. This incremental approach, I think, has not been shown to lead to any long-term endgame that's going to solve this problem. I would ask the Council to step back and look at the complexity of

TRANSCRIPT

what is being proposed and look at how this is going to evolve into some sort of solution that is not going to submit more and more residential areas to commercial and other parking. Again, if we have to move forward, I would recommend that Crescent Park be declared a resident-only parking zone, but I really think the Council needs to look at this overall problem again in a way that can avoid the kind of complex unmanageable, unenforceable sort of solution that's being proposed. Thank you for your attention.

Council Member Schmid: Thank you. Herb Borock to be followed by Wynn Furth. I think if anyone else wants to speak that they give a card now.

Herb Borock: Thank you. I'd like to start by thanking Mayor Burt for stating with specificity from the dais the nature of his conflict. I believe that all conflicted members and conflicted Staff members should have stated their conflict with specificity rather than relying upon a summary in a memorandum from the City Attorney. It's not just Crescent Park but all of the areas that are proposed to be made eligible or annexed should be given that opportunity of having a resident-only parking permit area, because none of those areas had employee parking in them prior to the establishment of this program. The 2,000 permits that are suggested being issued are admitted in the Staff Report to be more permits than the number that have been issued already, so it would be an increase of the number of permits. The total number that you should be going for is what the total number has been. If you decide to allow employee parking in the added areas, Staff has created a system with zoning that forces you to increase the number of permits for employees. Whether you start with 2,000 or whether you start with a smaller number which was the number that was actually used and asked for, Staff's proposal with zones tells you that you have to increase it and make more permits available for employees. You should be moving in the opposite direction, having less. If you're going to be adding areas, it shouldn't be in a way that adds more permits for employees. Residents are allowed to have four permits per residence. They should really be limited to the number of cars that are registered at that residence. That's how you should determine who gets a resident permit. The guidelines should not be able to be changed by Staff. The Council should have the only authority to change the guidelines. In the stakeholders meeting that was referred to, only one resident attended. Essentially it's become a group that whoever stays the longest and goes to the most meetings gets to make a decision. I don't think that it really is representative when only one of the resident members was there. In the interest of time, I had additional comments in my letter. My letter is contained on the one with the three-hole punch where John Morris' email is the first page and then are two pages of my letter. Thank you.

TRANSCRIPT

Council Member Schmid: Thanks for your comments. Wynn Furth to be followed by Richard Brand.

Wynn Furth: Good evening and thank you. My name is Wynn Furth. I live over on the 200 block of Everett Avenue, and I have since 1998 which is the year that the City adopted the Comprehensive Plan policy that says a vibrant commercial district should not be at the expense of adjacent neighborhoods. Except during really bad recessions, it has been. It is so good that you have taken these steps to begin to address the problem. It's dramatically improved the availability of parking before 7:30 a.m. and after 9:00 p.m. and on weekends. During the regulated hours, not so much. We have two hang tags for guests. About half the time, we might want to use them. There is a parking space available on one of the nearest ten block faces. That's a ways out. My guess is that given the proposal and the reality of a lot of scratcher tags for commercial use, you could reduce the number of bumper sticker permits for Area 2 to zero, and we would still be fully occupied by commercial permit holders. The other day I just walked around the block to see, and it was 90 percent blue hang tags, in other words transferrable commercial permits. We hope in our particular neighborhood, which is a bit special, that you let Staff consider and explore what happens if you extend the regulated hours to 7:00 p.m. Works around Chez Panisse; I don't know why it couldn't work around Evvia as well. It favors commercial parking very close in, but it means that it's still possible for residents to park. When Richard Wilson came up to speak over at the library about parking policies, he said something really interesting which is what—when you're dealing with spillover problems like this, the first thing you do is get a really effective RPP Program. That's what you need to do to protect your residents. Thank you for the steps you've taken, and I hope you'll take some more. Thank you.

Council Member Schmid: Thank you. Richard Brand to be followed by Ted Baer.

Richard Brand: Good evening, Council and Staff. I'm Richard Brand. I live at 281 Addison, and I am the lone resident RPP stakeholder that made it to the last meeting. You're right, my colleagues kind of wimped out on me. Anyway, I do want to thank Staff for meeting first of all the schedule. It was one of the things—we started this project, the stakeholders, three years ago and we had a schedule we didn't make, but congratulations. I think that's very important. Also, I'd like to say that Phase 1 was an experiment. It didn't really eliminate any—the priorities for the Council and the City to eliminate nonresident travel and trips. It didn't really eliminate any of the parkers. They just were redistributed, as you know, and outside the zone. Early on some of the counts were taken, later on the cars came back. I

TRANSCRIPT

think you've seen—I sent you a picture of what my street looks like. It's fully parked up Monday through Friday. As for Phase 2, again it's a trial period. Thank you, Council Member Kniss. You highlighted that at the December meeting. This is a transitory program. In fact at our RPP stakeholder meeting, Staff mentioned a Phase 3. You know what? There is no more stakeholder meetings even though there's going to be Phase 3. We went through nine months, and any of you that have studied meeting psychology, you go through a storming, you go through a norming and a transforming period. We stormed for nine months. Realistically, if you're going to have feedback from the citizens in quarterly meetings, it's going to be a goat rodeo. Part of the thing is that you need to understand the issues that we learned in the stakeholder meeting. I think it's a big mistake, and I agree with Mr. Cintz that to eliminate the stakeholder group is a real mistake. Also I'd like to clarify in our stakeholder meeting, it was the majority feeling of those attendees that we wanted differential pricing. Less expensive permits on the outer portions and more expensive on the inside. I correct Staff for making that comment as a Phase 2.1. That was what we recommended, and I'm sorry to see we don't see that now. I think that's a mistake. Also, the hang tag permit for nonresidents, and it's transferrable, those that are purchased by employees, I think that's a potential for gaming the system, and I think that ought to be looked at too. Again, the stakeholder meeting group has been one of the best things you've had; don't let it go. Thank you.

Council Member Schmid: Thank you. Ted Baer to be followed by Neilson Buchanan.

Ted Baer: Thank you. Forty-three and a half years we've lived at 851 Lytton. Our neighborhood went overnight—with the RPP Program we went from a neighborhood to a parking lot. It's been difficult for us as citizens of Palo Alto. It's also difficult for those employees. The folks that are parking in front of our house are walking a good ways every day, sometimes in the rain, to get to work. These people are not the presidents and vice presidents where they work. My point here, and I will leave the podium, is we need a new parking structure built Downtown that will be good for everybody in Palo Alto and everybody who visits Palo Alto and everyone who works in Palo Alto. Thank you.

Council Member Schmid: Thank you. Neilson Buchanan to be followed by Barbara Shurfro.

Neilson Buchanan: There is no way to contrast this in three minutes or even ten minutes. I didn't have the heart to ask five neighbors to come to this meeting. Here's my recommendation. I think you ought to declare Defcon

TRANSCRIPT

5, emergency, emergency, and not approve this tonight. I'm going to raise some issues that I think the Staff ought to answer in two weeks, because they're the ones that haven't been answered in all the stakeholder meetings that I think are significant. Let me just enumerate those. I'm not going to try to explain them, because time is not here. Two weeks, try to figure this out. Regulating permits is absolutely the wrong way to go. The issue is to designate so many parking spaces. Basically Staff has determined they need 1,200 parking spaces. Treat the neighborhoods as a 1,200-vehicle parking structure. Put them wherever you want to, but don't use elasticity and all weasel provisions in this thing to exceed the limit of parking spaces. Any other thing is not going to work out. I'll offer, if I had the chance to offer, 600 parking places in Downtown North. Mark them off and then manage them as you would a 600-vehicle garage, not a whole bunch of loosey-goosey permits. Absolutely approve what Crescent Park has asked for. I couldn't have expressed more strongly at a stakeholder meeting that galloping annexation was politically and professionally managing absolutely the wrong way. Absolutely reduce the number of parking spaces that you allocate to the neighborhoods to nonresidents. If there's not a provision to reduce them, maybe slowly, but slowly return the neighborhoods from parking lots to neighborhoods. Distribution, it still isn't settled. In two weeks, I would ask the Staff to do a diagram of where people are going to park in those zones. There are a lot of details. The major detail that I object to is the hanger tags, scratchers and all that. If that is such a good concept, then drop the parking stickers in the garages and adopt the same standards for the parking garages. I guarantee you the forces would not accept scratchers, hang tags and the like that can be falsified. It's an invitation for black market and abuse. Finally, have an emergency Study Session with the Parking Assessment District. Until you understand the incoherent, irrational nature of the Parking Assessment District, you'll never get your hands around parking demand. Finally, I think this whole thing can be wrapped up in 90 days, and there's no reason not to do it. I presented a fairly straightforward 15-point model for Downtown North as at least a basis of discussion. I think that could apply to Downtown South, Professorville. I don't think the way it's going to go is going to work out. I no longer have the energy to do the stakeholder process. It now is in your lap. If you can't solve it, I tell you the truth, at this point no one is. We've given you our advice. I ask you to ask the Staff to come back on the points I raised, address them in two weeks. Say Neilson raised the issues and if they want to stick with it, then that's fine. Thank you.

Council Member Schmid: Thank you. Last speaker, Barbara Shurfro.

TRANSCRIPT

Barbara Shurfro: Hi, good evening. I'm Barbara Shurfro. My husband and I have lived in Palo Alto for 30 years. I'm very short, so I'm having trouble getting the microphone down there. Is it working?

Council Member Schmid: yes.

Ms. Shurfro: We've lived in Palo Alto for 30 years. We've lived in the 900 block of Addison for 18 years. The 900 block of Addison is unusual. There are many very deep lots. There are many flag lots. There are many lots with two homes. Many multigenerational families. We don't have enough parking as it is, but we manage. I can't imagine the change in the quality of life if it suddenly became a parking lot for Downtown. I'm very concerned about what I'm hearing. I understand we need parking for Downtown, but I'm terribly concerned about the hardship for the families on our street if it suddenly becomes parking for commercial vehicles Downtown. I would like to speak in support of the proposal for the Crescent Park neighborhood. I think that it's also very difficult for people to come speak this late at night. It's difficult the way that the program has been implemented, sort of encroaching street by street, section by section. It's hard for people to get together and really communicate and come up with a different plan. I think you may not have received as much input from the community as would be helpful. Thank you.

Council Member Schmid: Thank you, and thank everyone for staying late and helping us out. Hillary, do you want to respond to any ...

Ms. Gitelman: Thank you, Council Member Schmid. If we could just respond to a few questions that were raised in the course of that, we'll try and be as succinct as possible.

Ms. Atkinson: To Eileen's point, the walking distance from Downtown was not determined from a single point. The Downtown core is not a point. What we did was mapped all of the commercial properties within Downtown. It forms kind of an "L" shape almost with the SOFA District, and then did a quarter mile walking radius and a half mile walking radius. We presented that at the December 14th meeting. That's still available in the Council packet from the December 14th meeting. It's not looking at a single point and doing a walking distance straight from that point. It's more the very oddly shaped nature of the commercial core and doing then an oddly shaped quarter-mile and half-mile radius from that. To the point of if streets outside of Zone 10 would be added to the existing Downtown RPP District or if they would be new, as proposed this is the full boundary for the Downtown RPP District. The petitions that have been received outside of that district would be considered after March 31st along with any other petitions for new

TRANSCRIPT

RPP Districts. It would be as part of a new RPP District, not the existing Downtown District. The question as to if residents can have a free hang tag rather than a free decal, no, the resident permits are meant to be vehicle-specific. They get a free vehicle-specific permit for a resident vehicle, not a free permit that can be transferred amongst vehicles. That's contained in the resolution, I believe.

Mr. Mello: I just have one point of clarification, and then I think Hillary has a couple of responses as well. I just want to clarify that if Council does elect to designate the eligibility areas that are shown in blue on the map, until specific streets within those eligibility areas submit petitions to the Planning Department and they are administratively annexed, nothing would physically change on those streets. There would be no signage installed. There would be no direction to employees that those streets are now part of the RPP District. For all intents and purposes, nothing would change on those streets until they were officially annexed into the program.

Ms. Gitelman: Thank you, Sue-Ellen and Josh. Just a couple more points. First, we did discuss with the City Attorney's Office this afternoon the letter we got from the lawyer and the suggestion that you heard in testimony that this somehow violates State law. We don't think that that's the case. I think Cara Silver can answer additional questions on that, if you have them. We also wanted to note, Neilson made a bunch of suggestions that are quite different from the program as it's evolved over time. I guess I'm just a little confused where these suggestions like designated spaces rather than having a permit program would come from at this late date. We've really worked hard with all the stakeholders, Neilson included. They've been terrific in working with us as a team to develop this program with a phased implementation of two trial periods, Phase 1 and Phase 2. We're trying to get off the ground and into Phase 2 on the schedule we all agreed to. We're really asking for some decisions this evening so we can meet that April 1st deadline. To go back at this point and say, no, no, no, we're going to designate individual spots on the street rather than use this kind of permit program would just be a big revision that we hadn't anticipated. The other thing is someone suggested that this Crescent Park in its entirety including the portion that's already within the original RPP District should somehow be treated differently. I know the Council probably wants to have a discussion about Crescent Park and what to do with the eligibility areas and areas outside that, but I just wanted to make the point that if we go back and rethink all of Crescent Park including the portion already within the district, we're talking about major revision. We would need to do a substantial recalibration of the program to accomplish that objective. With that, we're happy to answer Council questions.

TRANSCRIPT

Council Member Schmid: Council Members, it is 11:30. We have a set of recommendations that is fairly complex. With that in mind, let us move onto questions, comments or Motions. Council Member Filseth.

Council Member Filseth: I have a number of comments. Actually I have a question, a question which I think is—go ahead.

Council Member Schmid: Let me make one other point. Anything we pass tonight has to be unanimous.

Council Member Filseth: One of the questions that came up in the discussion of this was the disposition of day passes which don't count towards the total, and there's not a limit on that. Do I understand that correctly?

Ms. Atkinson: Yes, that's correct as currently written.

Council Member Filseth: Let me make a few comments then. I think we had a lot of discussion tonight that it's not appropriate to allow Downtown office cars into residential neighborhoods. I live in Downtown North which is indeed a residential neighborhood, and we have a lot of Downtown office cars there. I moved there 25 years ago, and it certainly was not like this then. I understand what people are experiencing here. With that said, I think it's important to understand the context here. The RPPP is about neighborhood protection. It's about the piece of the Comp Plan that says we're going to protect neighborhoods from the impact of commercial vehicles. The solution for transportation is TMA and potentially parking garages. RPP needs to be about protecting the quality of neighborhoods. I think it's important to understand that we really do have two plans before us tonight. One is the Staff plan, and the other one is the College Terrace plan which has been brought up by both the Evergreen Park folks and the Crescent Park folks. As we think about this, I believe there are two issues. Again, we're only talking about neighborhood issues, not about City transportation issues. I think we have two issues before us to consider, and they conflict a little bit. One is the issue of public streets, who actually owns the streets. The other is about neighborhood protection. I think they're both relevant. What I mean by public streets is I have a house on Palo Alto Avenue, but I don't own the street space in front of my house. That's a public good. I shouldn't have the expectation that I own it. On the other hand, I certainly have the expectation that my kid when he rides his bike down the street shouldn't get run over by a commuter looking for a parking place. If we have 2,000 commuter cars in the neighborhood, then that's 4,000 commuter car trips per day in and out of the neighborhood in addition to the all the other cut-through traffic and all the other stuff we've got. The

TRANSCRIPT

issue of neighborhood quality is crucial, and I think that's why we're here. Both the Staff plan and the College Terrace plan address the neighborhood quality issue, assuming that you get the number of cars right and distributed appropriately with the Staff plan. The Staff plan also addresses the public streets issue which the College Terrace plan does not. My preference is the Staff plan, with the College Terrace plan my second choice. However, the Staff plan is complicated. The virtue of the College Terrace plan is it's very simple and would be quick to implement. I understand why the College Terrace folks and the Evergreen Park folks, who have waited a long time for relief from this and will likely wait longer, are here talking about this. Again, my preference is the Staff plan. If it proves too complicated or too divisive or takes too long to implement, then I think the backup is indeed the College Terrace plan. One of the things that's germane to the Staff plan is it is absolutely crucial to get the number of employee permits right. If we get that wrong, then essentially what we're doing is charging people to park in front of their house but not providing neighborhood relief. We must not allow that to happen. Again, the 2,000 permits proposed makes a lot of assumptions. How many people aren't going to drive their car every day? A number of things like that. If we stay with 2,000 permits, I think the annual reduction mechanism proposed by Staff is just absolutely essential. We need to get that number right. I don't agree with people that the number absolutely must be zero in order to retain neighborhood quality, to return the neighborhoods to the characteristics that they were 20 years ago, 25 years ago. We always had a few employee cars there. It can't stay at 2,000. I think the reduction mechanism by default has to be in there. If at some point we choose to say, "You know what? We've reduced the number of cars. It's pretty good. We can leave it at this level," then that's great some years from now. I think by default as we design the program, that has to be built in. The other thing that I think is important is that the unlimited number of daily permits potentially constitutes a major loophole. I think we need to deal with that one as part of the 2,000 or whatever number we choose in order to make this work.

Council Member Schmid: Council Member Kniss.

Council Member Kniss: This is not only a complex problem, but taking it up at 11:30 especially after we discussed this at our Retreat last week, that we make lousy decisions after 11:30. We've got an almost empty bank of people out here, and the Staff is here and they're exhausted too. We've been meeting—as you know, we usually start at 5:00. Tonight we started late at 6:00. I don't know where we're going to go on this tonight. I am not sure we can come to a decision when it's this late. As somebody said earlier, we've had so little input. Two or three things that I want to talk about. One of the comments I'd like to repeat—I had forgotten this, but one

TRANSCRIPT

of the speakers spoke of galloping annexation. As I look at this tonight, at what are essentially just artificial lines that are drawn because of Embarcadero. I'm not quite sure Melville and Lincoln came in there. I guess anything could have. It sort of looks like it has a certain symmetry to it. Again, I'm not really sure that it couldn't have been drawn slightly differently, in a box for example. Putting that to one side, I'm going to go with two or three things. I think Eric has said something that really is important. The number of permits, I'm surprised but I found myself agreeing with you on that one. I think we have reached a point where if you're going to park that many, you've got to think where are you going to park them, especially without the Downtown garage that was promised, I don't know how many years ago. Let me take a look and ask either Hillary or one of the others. On page 4, when we're talking about the employee parking zones and come down half, three-quarters of the way, where it's determined on any given day the number of employees parking within the district was only 50 to 60 percent of the total number of permits sold, therefore ... What's the "therefore" there?

Ms. Gitelman: I think this is the point that Sue-Ellen made in the presentation. Based on our experience, even if you sell 2,000 permits, you're not going to get 2,000 people parking there on any given day. You're going to get 50 to 60 percent of that.

Council Member Kniss: If it's 50 to 60 percent of that, then you say the number in a particular zone would be around 15 to 24 percent of the total number of spots available on the street. That says that in the Downtown for some reason, in the current Downtown RPP, it looks to me as though there must be spots available according to what you're saying. Am I correct? That's certainly what I'm reading in the report.

Ms. Gitelman: Right now what we're seeing is some bunching, because we don't have this zone structure. What we're proposing in the zone structure is a better distribution of the nonresidents who are parking in the district. We should see more spaces. We're only selling enough permits to equal 15 percent of the total supply. I should let the experts—15 to 20?

Council Member Kniss: You haven't sold enough permits?

Ms. Gitelman: From 30 to 40 percent of the total supply. Then we experience this phenomenon that you pointed out which is only 50 to 60 percent of the permits get used on any given day.

Mr. Mello: Just to clarify. The 30 to 40 percent is 30 to 40 percent of the available curb space. We only see about half utilization of all the permits at any given point in time. About 15 percent of the curb space is being taken

TRANSCRIPT

up by permit parkers at one point in time. That leaves 85 percent for residents and for two-hour parkers. Two-hour parkers are clustering closer to the Downtown core as you would imagine. There's different availability and occupancy by zone.

Council Member Kniss: Let's say we were to simply include this blue area in the RPP tonight. What's to keep us now from going further into Crescent Park or crossing Embarcadero? Where does it stop?

Ms. Gitelman: I think our proposal is that this is it, the Downtown District. You would be ...

Council Member Kniss: I think we thought the first time that was it. We did. I mean, the first time we did it, we said that's it. I really did not guess that we were going to ... I guess I'll come to the comment about being adjacent and whether or not the Vehicle Code is correct. Somehow common sense says this is getting pretty far. I'm a very good walker. It would not bother me to walk from wherever. I could walk from where I live on Cowper Downtown and do all the time. I somehow think people anticipate they're only going to walk about a half mile or a quarter of a mile to get to work. Am I right? This goes out a fair amount further than that. I'll be interested in what some of the rest of you say, but it sounds to me as though we are expanding without having fully utilized the RPP area to that extent so far.

Ms. Gitelman: Just to clarify. The eligibility area boundary we discussed in December, it was drawn based on that kind of half-mile criteria, of a reasonable walking distance being about a half a mile. That's how that boundary was developed. Our proposal to you as evidenced in the resolution is to adopt this as the Downtown RPP boundary. This is as big as it would get. If anybody wants RPP Programs outside this area, they would be new programs with a different resolution and potentially a different set of rules.

Council Member Kniss: Done for now.

Council Member Schmid: Council Member Wolbach.

Council Member Wolbach: I'll go (inaudible). To pick up on some of the things that have already been said tonight. I think that Council Member Filseth was right when he said he doesn't own the street in front of his house, but we still have an expectation that we can enjoy use of the street in front of our house when we live in a residential neighborhood. The gentleman who spoke earlier about feeling punished, this is the challenge. Do we want to have a medicine that's worse than the disease? The whole point of RPP, Residential Permit Parking, is to protect the residents. It's not

TRANSCRIPT

primarily employee parking. It's about protecting the residents, whether we go with a model like what we have in Downtown now in Phase 1 and continue to expand that or the College Terrace version where it's really just for residents only. Whichever type of residential permit parking system we use, the goal is to protect the residents. The goal is to help the residents. The goal is either in reaction to an existing problem or in anticipation of a coming problem to protect the residents from negative impacts. That's the goal. Let's make sure that whatever we do achieves that goal. The reason why the stakeholder group and Staff proposed this expanded blue area, this is an eligible area. This is an area where we say the residents in this area, if they want to, can sign up for RPP. We're giving you an option to protect your neighborhood if you want to choose that. I don't know if it was a misunderstanding about what that's about, but I was surprised to hear people so upset about being given the option, especially when there's an option to opt out. I appreciate that Staff is clarifying that they would like to make sure that the option to opt out is a renewed option. If you try it on your street and you decide you don't like this after all—the double-edged sword is cutting us harder, the medicine is worse than the disease—you could opt back out. I think that that's important. I think that's important, again, whatever kind of RPP a neighborhood ends up getting. I'm a little bit torn about this question of—I should say I'm open minded—what kind of RPP these other areas of Crescent Park or Professorville that are not yet part of Phase 1. Whether when they opt in, should they get the existing Downtown style RPP? Should they get the Crescent Park RPP? Should they be given three choices, multiple choice? Do you want the Downtown style, do you want the Crescent Park style or do you want nothing? I'm pretty open minded about that. Happy to hear my colleagues' thoughts about that. Sounds like the community's not necessarily unanimous. Again, this really comes down to what does the neighborhood want. It is the goal of the City, City Planners, City Council and the employers in Downtown—I feel bad for the employees, but I think it's really incumbent upon the employers to really limit their impact. As I think most people know, I'm not the biggest advocate of having to park every single potential employee with their own car on the site of their building, because I don't think every employee needs to drive. We need to prove that, and the employers need to prove that. That's what the TMA is about. It's about, as Council Member Filseth said, this is the goal of the TMA, this is the job of the TMA to reduce the traffic impact. One thing I will say is I think we did probably make a mistake back in December in not calling for the number of employee permits to reduce over time. Staff had recommended that, and I think that was probably the right idea. I think Staff was right about that. If it's not too late for us to reverse course on that and go with what Staff had recommended back in December, that over time the number of employee permits allowed on the streets should be reduced. I think that's reasonable. I get that. This is also part of providing

TRANSCRIPT

the stick, the incentive, the pressure on the employers to participate in the TMA and to reduce the number of their employees driving Downtown in the first place. A lot of other questions. A lot of other comments I could make, but it's getting late. I think that really the key questions really are what's best for the neighborhood, how do we have fairness, and how do we make sure we don't frankly screw over especially the low-income employees. I want to make sure that they have options. A bigger question that maybe we can't get into right now is—really it comes down to the question of enforcement and the long-term thinking, maybe beyond the pilot phase of enforcement and how we actually have a technological solution, whether it's bar codes on the stickers that the enforcement can drive by and scan it real quick to be efficient or like a fast track thing where the enforcement car drives by and just scans the permit. I'm wondering if that's part of the long-term plan, whether that's something that you need support from Council indicating to start pursuing, whether you need Council direction to start pursuing it, whether you need additional resources to start pursuing that. In the long-term, maybe that's what we need. Maybe that would be more efficient, that would be more cost effective, perhaps that would enable more nuanced and agile distribution of where cars park. I'm thinking long-term again, a couple of years out, however long it takes to set it up. Maybe every employee has an app on their phone that says you're one of the five employees from your company who's allowed to park Downtown today, because your company promised that half their employees would not be driving every day. Today, you're supposed to be parking on Bryant Street or you're supposed to be parking in Zone 10. Things like that. This is the long-term stuff, but I think that's the goal we should be getting towards. Sorry for the rambling thoughts. I wish I had more conclusive recommendations at 11:45 p.m. The question of coming back in two weeks with time to answer more questions, I'm not sure I really want to punt anything tonight. I kind of want to take some conclusive steps, but I'd like to hear from my colleagues and from Staff about pros and cons of punting stuff or making decisions tonight that'll move us forward.

Council Member Schmid: Council Member DuBois.

Council Member DuBois: I'm going to try—I have a lot of questions, but I'm going to try to maybe propose a way forward. First, I'd really like to understand more detail about the Shute Mihaly legal letter. I'd really like to get a deeper response to this letter and the issues it raises, if you could speak to that.

Ms. Stump: Sure, we can do that. I'm going to turn that over to my colleague, Cara Silver. Before we do that and while she's gathering her thoughts, I just want to let the Council know that we are considering Council

TRANSCRIPT

Member Wolbach's comments and how that could potentially, if it were the will of the group, could we do that this evening or would we be looking at direction and coming back. That's a noticing issue. We're looking at that issue. I just wanted to highlight that while she responds. Thank you.

Council Member Kniss: Point of information. What do you mean a noticing issue, Molly?

Council Member DuBois: Would we just (crosstalk).

Ms. Stump: Specifically looking at—yes. Specifically looking at the potential to have a different number of employee permits or to create some ratcheting down or some different formula in the out years, we need to make sure that whatever the Council might contemplate doing tonight is properly noticed or else it's continued to a subsequent meeting, so that everyone who has an interest knows that you might be taking action in that area.

Council Member Kniss: Along that same line, a point of information. If we do not make a decision, let's say—Cory has mentioned it and I think I have as well—we don't make a decision tonight. When we reschedule the meeting, it has to be the five of us. Does it have to be on a regular meeting night?

Ms. Stump: No, this is the City Council. You're the body, and you can schedule a Special Meeting at another time and date than ...

Council Member Kniss: With the five of us?

Ms. Stump: That's correct. It would be the same group of five.

Council Member Kniss: We're in new territory here. We've never had just five to maneuver with. That's somewhat different.

Ms. Stump: You look much more like a traditional City Council. There are just five of you. Only there's one sitting way over there.

Council Member Schmid: Council Member DuBois, you had the floor.

Council Member Filseth: Can I ask a question? (inaudible) on top of that just briefly.

Council Member DuBois: Can I go through my stuff?

Council Member Filseth: On the question of noticing, Staff actually had a proposal to reduce the number of vehicles back in December. If we adopted exactly that one, would that not need to be noticed?

TRANSCRIPT

Ms. Stump: We're looking at the issue. Just give us a few minutes.

Council Member Schmid: Council Member DuBois.

Council Member DuBois: Go ahead.

Cara Silver, Senior Assistant City Attorney: Cara Silver, Senior Assistant City Attorney. We did receive a letter from Shute Mihaly over the weekend, and they raised two legal issues. The first issue related to the word adjacency under the Vehicle Code. The Vehicle Code establishes two different processes for giving nonresident permits. The first process is under 22507A, and it authorizes the City to issue permits to both residents and merchants adjacent to the streets. The question that was raised is what does adjacent mean under this particular statute. There was a case that did take a look at that issue. In that case, the court said, "We're not going to take a real literal definition of adjacent because under this particular parking scheme, the traditional definition of adjacent doesn't work. Instead we're going to take a common sense definition and approach to adjacent." In that case, they determined that adjacent meant a permit that would allow people to park anywhere within the district as distinguished from giving a permit to say College Terrace and College Terrace then could park within the Downtown Parking District since that would be two different districts.

Council Member DuBois: Is there any implication how large a district can be?

Ms. Silver: Yes. Of course, that's an issue. That case still with Hermosa Beach, I'd have to take a look at exactly how large the district was, but my sense is that the district in that case was as large as our district or perhaps larger.

Council Member DuBois: I wouldn't expect it to be long and narrow though; it'd be the distance to the beach.

Ms. Silver: Right, right. With respect to the other section in the Vehicle Code that authorizes the granting of permits is for—the term used in the Vehicle Code is "other designated groups." Under that definition, the Council can issue, specify a particular group, say businesses or employees of businesses within the district, but you need to make special findings in order to issue permits to designated groups. The findings that need to be made under the Vehicle Code are that the distribution of those permits will not adversely affect parking conditions for residents and merchants in the area. We have addressed that finding in the resolution issuing the employee permits by establishing a cap of 2,000. It's Staff's judgment that this permitting mechanism by establishing a cap, it actually betters the situation

TRANSCRIPT

than what we have currently. That finding is able to be made. Of course, you're the Council and you can disagree with that finding. The second issue, real briefly, that was raised in the Shute Mihaly letter was whether a fuller CEQA process should be conducted in connection with this program. We've talked about this in the past. There is a case called Santa Monica Chamber of Commerce versus City of Santa Monica where the court specifically found that these RPP Programs do not require a Negative Declaration or an EIR, that a categorical exemption such as the one we used here is sufficient. We think that the appropriate CEQA coverage was done in connection with this program.

Council Member DuBois: Thank you. I guess one thing we haven't talked about at all was impacts on merchants and how they fit into all of this. I just have some thoughts I was going to try to get through. I found the Staff Report pretty silent on daily permits to businesses. I mean, you kind of had to read between the lines, and I think it's come out here that there was a limit on residential purchase of dailies, but there's no limit for employees. Again, I think that kind of goes to the heart of the issue. We're saying there's a cap, but it seems like there's a lot of loopholes in that cap which gets us back to the legal letter, I think. My understanding in December when we were talking about this, I didn't realize that dailies were unlimited. We were looking at 1,500 permits in Phase 1, about 600 dailies. That's how I thought we got to 2,000. Now it's 2,000 plus dailies. In my mind it's much more than we were talking about back then. Just my understanding.

Council Member Kniss: Is that true by the way? That's what we're hearing as well.

Council Member DuBois: Was what true? Which part of that?

Council Member Kniss: That there's unlimited number of dailies.

Council Member DuBois: I think Eric asked that question. That's correct, right?

Ms. Gitelman: Right, yes.

Council Member DuBois: In my mind, it's easy to see where this idea of maybe we should go to designated spots rather than permits came from, because now we have no idea if this percentage of parking—I think if you had decals and we learned data in Phase 1 that 50 percent of them show up every day, you'd least have some kind of model. Now it feels like we're getting away from a model. I just understand where that idea came from and why Nielson brought it up all of a sudden. Even after reading all this stuff, I have to admit I'm still confused about how does free parking, how

TRANSCRIPT

can you game the system, can you move your car every two hours, how will low-income and high-income be distributed. These are kind of rhetorical questions. Is there any correlation to how many employee permits are given out to the size of a business or are tied to our Business Registry? Again, the use of hang tags. Even when you buy a daily, I guess I'm understanding now that it's not for a particular day, but it could be used for any day that you scratch off. Again, I think all those things are basically loopholes that mean we don't have a cap. What shifted the cap is how we're addressing the legal issue. I think we have a concern there. Could retailers give out daily scratchers? Could they buy a bunch and hand them out to shoppers? I mean, one of the letters—I think we got a whole stack of letters, more than people were in the chamber—was the idea of limiting passes to registered cars at an address. I just feel like we haven't looked at this in terms of what are the easy loopholes that people will address. I mean, we know we have businesses being run out of homes. We have hotels being run out of homes. This permit process doesn't—it seems like a good opportunity to monitor some of that stuff, and it's not. Another concern I have is this Phase 2 is a year long. I think we might want a Council check-in before a year is up. Again, when I read the ordinance, I don't think a penalty for fraud has been set. I think it says it can be determined by Council, so I don't know if we have one. I agree, I think we made a mistake when we removed the decreasing 200 per year. I think that gives teeth to our TMA, to TDM Programs. It was over ten years, which I think is a reasonable period of time. It starts to say we're serious about this. Where I think we need to end up is with a real cap, with a real decreasing amount of permits in the neighborhoods. I think we're losing the trust of the community, kind of how we did this. I mean (inaudible) figure it out. We talked about this in December. I brought up the issue, kind of what's the extent of the Downtown District. I do think this annexation is not really the right way to do it. We're kind of saying we're going to annex it once and this is it, but I almost feel like we should consider the Phase 1 boundary as the boundary. I thought Eric's comments were good about kind of this is a better plan if we can put some parking in the streets, but I think what we're struggling with is this balance and kind of this open-ended amount. I have a few more comments, but do you want to say something? Okay. I'm trying to figure out kind of how we could move forward. I'll suggest something just as kind of a straw man. If it's unworkable, we can decide that. I would move that we would adopt the Staff recommendation with the following changes. We would decrease the employee permits by 200 per year over ten years. We would move forward with installation of the signs and the enforcement contract and the decal program. We would come back to Council with a program that would explain how we're going to meter out the hang tags, the employee hang tags and the employee dailies and five-day scratchers, and how we're going to distribute those by zone and

TRANSCRIPT

volume and consider using those in the garages instead of on the streets. When we initially roll this out, we would sell zero employee decals outside of the Phase 1, but we could evaluate increasing that number. The idea there is rather than start with the max number, we would set up the program and then we would gradually increase it to see what the impacts are. That was a Motion.

Male: (inaudible).

Council Member DuBois: Was it understandable?

Ms. Gitelman: If we could interject for a moment. We've been talking amongst ourselves about whether it would be possible for the Council to proceed with the aspects that you indicated that aren't reflected in the current document, the ratcheting down of employee permits over time and the limitations on daily permits. With regard to the first one, I think our feeling is that we could proceed to adopt the ordinance, the administrative regulations and the contracts, but we would really prefer to not go forward with the resolution tonight, but to make some modifications to include the ratcheting down of employee permits and to give us an opportunity to think about how we might limit the number of daily employee permits. We haven't even thought of what that might look like or what a limit might be. We could bring the resolution back when the ordinance comes back to you on second reading and have another discussion.

Council Member DuBois: My thought was to not slow things down by moving ahead with the contracts and the sign installation, and then come back with that discussion. Again, one of the ideas, what if we did move those into garages where the daily spots were not on the streets.

Ms. Gitelman: We're going to have to give that some more thought. This has been a street parking program, not a garage parking program. To conflate the two, we might get into some complexities that we're just not prepared to talk about this evening. This is not quite what you put in motion as a Motion, but if we could have—I think we would welcome the Council's direction to revise the resolution considering the issues that you've raised. If you're willing to consider adoption of the ordinance, the guidelines and the contracts this evening, as you say we could move forward with the contractors and try and stick to this schedule we have in Motion.

Council Member DuBois: I don't even know if I have a second.

Council Member Kniss: I need to ask ...

Council Member Wolbach: I seconded it.

TRANSCRIPT

Council Member DuBois: You did, sorry.

MOTION: Council Member DuBois moved, seconded by Council Member Wolbach to:

- A. Adopt an Ordinance to add Section 10.50.085 (Eligibility Areas) and amend Section 10.50.090 (Modification or Termination of Districts) of Title 10 of the Palo Alto Municipal Code relating to Residential Parking Programs; and
- B. Adopt a Resolution amending Resolution 9473 to implement Phase 2 of the Downtown Residential Preferential Parking (RPP) District Pilot Program; and
- C. Adopt the RPP Administrative Guidelines; and
- D. Approve and authorize the City Manager or his designee to execute a Contract Amendment with SP Plus for \$94,000 for Additional Services for Parking Permits and On-Site Customer Service; and
- E. Approve and authorize the City Manager or his designee to execute a Contract Amendment with SERCO for \$60,000 for Enforcement of Expanded Area of Downtown RPP District; and
- F. Approve and authorize City Manager or his designee to execute a Contract Amendment with McGuire Pacific Constructors for \$154,500 for Construction Services for Expanded Area of Downtown RPP District; and
- G. Amend the Fiscal Year 2016 Budget Appropriation Ordinance for:
 - i. The Capital Fund by:
 - a. Increasing the transfer from the General Fund by \$64,329; and
 - b. Increasing the Residential Preferential Parking Project (PL-15003) in the amount of \$64,329; and
 - ii. The Residential Parking Permit Programs Fund by:
 - a. Increasing the transfer from the General Fund by \$94,000; and
 - b. Increasing the Downtown Residential Preferential Parking Contractual Services budget by \$94,000; and

TRANSCRIPT

- iii. The General Fund by:
 - a. Increasing the transfer to the Capital Fund by \$64,329; and
 - b. Increasing the transfer to the Residential Parking Permit Programs Fund by \$94,000; and
 - c. Decreasing the Transportation Contingency fund by \$158,329; and
- H. Decrease Employee permits by 200 per year for ten years; and
- I. Return to Council with a program to meter non-resident hang tags, daily scratchers, and five day scratchers distributed by zones both in streets and parking garages; and
- J. Sell no employee decals outside of the Phase 1 boundaries initially and return with a discussion of hangtags and scratchers.

Council Member Kniss: One question, where are your boundaries?

Council Member Schmid: Wait a minute. If we could have—do you have anything else you want to say on (crosstalk).

Council Member DuBois: I would like to explain it if it wasn't clear. The other thing I think Staff would need to evaluate probably and come back with was the boundaries initially would stay as the Phase 1 boundaries, but we would put up the signs in this expanded area, and we would not sell employee permits in the expanded area, but we would reserve the right to do so. We would just do it slowly, I guess. Initially these areas—part of the problem is if we do nothing in the blue area, they're still heavily impacted. I'm proposing we go ahead with the signs, but we don't sell any employee decals in those areas initially, and we'll come back with a different plan.

Mr. Mello: Just to clarify, as currently proposed, the signage would only be installed on the yellow streets immediately following this meeting, and then signage would be installed on additional streets as those neighborhoods came forward and petitioned for inclusion.

Council Member DuBois: Right.

Ms. Stump: Chair Schmid. What we would suggest is that the three items, "H," "I" and "J," that the Council's Motion would be to direct the Staff to return with a resolution that would do those things. That would allow us to really fully notice everyone who may be impacted by those proposals and

TRANSCRIPT

give them the opportunity to be part of the process. That could come back then with the second reading of the ordinance.

Council Member DuBois: That's fine.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion Part G, "direct Staff to return with a Resolution to" and remove Part B.

Council Member DuBois: I guess the one thing I'm not sure is if we pass the ordinance tonight, isn't that in conflict with some of these things?

Ms. Silver: No, it wouldn't because the ordinance makes a very small change to the process for eligibility areas. The bulk of the policy decisions that you're making are really in the resolution.

Council Member Schmid: Council Member Wolbach, do you want to speak to your second?

Council Member Wolbach: Actually before I defend it wholeheartedly, let me ask if we might want to make a couple of friendly changes to this. Council Member DuBois, would you be comfortable with also directing Staff to come back for the areas in the blue, the eligible areas, for them to be given a three-part choice, so that those blocks would be able to choose do they want the College Terrace or the Downtown style or no or do we want to just leave it as is?

Council Member DuBois: I'm essentially proposing that the ordinance says they can opt out or opt in. Then I'm saying we start with zero employee decals in those areas, so that's effectively College Terrace but without calling it that. Then we figure out the number that we would sell.

Ms. Gitelman: Can I just ask a question about that? I mean ...

Council Member Wolbach: Please.

Ms. Gitelman: ... I think you saw on the map that we showed that we're proposing to allocate a certain number of spaces or permits, like 50 in one case, 60 in another, to those streets that would be annexing in. If we zero out those streets, we would really have to take those permits and move them to other zones within the core.

Council Member DuBois: I think it's tied to the dailies, so it's kind of when you come back with the daily plan, we decide.

Ms. Gitelman: Thank you.

TRANSCRIPT

Council Member Wolbach: I won't make that as a separate Motion. I'm just going to say I think that we're moving in the right direction here. We're talking about ramping down the number of employees parking on the street over time, talking about getting a handle on the daily passes and what the implications of that are. We're making sure that each block can decide do you want in, do you want out on a recurring basis. It's not just one time and you're done. Kind of reminds me of what we were potentially facing on the medical marijuana earlier, is there going to be a deadline that you have to meet and then you're in or you're out forever. I think that that flexibility ongoing is going to be important for the neighborhood. I think that's going to be important for the residents to have flexibility. Those are my comments.

Council Member Schmid: Council Member Filseth, do you have your light on?

Council Member Filseth: I want to make sure I understand, and I think I do, what's being proposed here with the no employee decals outside the Phase 1 area. If I understand that right, if I look at Zone 10 here which is an expansion area, Seneca Street is yellow which it's indicated they want to opt in. Addison Avenue is not, so they haven't indicated they want to opt in. What we're saying is we would sell employee permits on Seneca Street but not Addison Avenue?

Council Member DuBois: It's free, there's no ... Right.

Council Member Filseth: Will employees be able to park on Addison Avenue?

Council Member DuBois: If they're not in the district, it's unlimited parking.

Council Member Wolbach: It's just wide open.

Council Member Filseth: They're in the district, Number 10.

Council Member DuBois: If they haven't opted in ...

Council Member Filseth: They haven't opted in, so is it still unlimited parking there?

Council Member DuBois: I believe so.

Mr. Mello: As the Motion is currently structured, once the resolution is passed, Seneca Street would have signage that designated it as part of the RPP Program, but there would be no employee permits sold for Zone 10.

TRANSCRIPT

Council Member Filseth: Is that what you intended? If I were on—that's Seneca Street. You're saying that no employee permits will be sold on Seneca Street.

Mr. Mello: The second question, Addison Street would be as it is today where anyone is free to park on Addison Street until the residents of Addison Street submit a petition to join the program, and then they would receive the signage that Seneca has no employees would be allowed to park on Addison.

Council Member Filseth: I understand. If you do that ...

Council Member Kniss: That's not what I heard.

Council Member Filseth: That wasn't what I thought I heard either.

Council Member DuBois: What did you guys think you heard?

Council Member Filseth: If you do that, then the cars that would have parked on Seneca Street, then they have to go park somewhere else, in Zone 4 or they have to come and park on Palo Alto Avenue. Essentially what you're doing is taking the load off of Seneca Street and putting—you're saying no employee cars over here; therefore, more over there.

Council Member DuBois: What I'm saying is I think these hang tags and scratchers are a big hole. Until we fix those, then we should figure out the distribution. I'm reserving that we may sell some employee permits on those Crescent Park streets, but it needs to be measured somehow.

Council Member Filseth: Then you're increasing the density in the Phase 1 area.

Council Member DuBois: By the limit of the cap, whatever the cap is.

Council Member Filseth: I mean, it kind of goes to Cory's question, I think. If given the choice of plans, all of us would take the College Terrace plan. Of course, because the College Terrace plan says no employee cars. I mean, nobody wants a parking permit program. The problem is we have several thousand cars that park in the neighborhoods, because of past history and stuff like that. It's not a question of choice; it's a question of what do we have to do with all these cars. Actually it's a question of how do we get the cars out of the neighborhoods. That's really what it is.

Council Member DuBois: Really this was a Motion about coming back to resolve those issues while letting Staff move forward with the other items.

TRANSCRIPT

Council Member Filseth: One of the things that would need to be resolved is this issue of if I'm putting a no-employee-car zone over here, how do I ...

Council Member Kniss: In Number 10.

Council Member Filseth: On Number 10, right. How am I make sure I'm not funneling all those cars so that Zone Number 4 and 5 get more cars?

Council Member DuBois: I read it off and David didn't catch it, if you guys want to add this. My "G3" originally was sell no employee decals outside of the phase boundaries initially and come back for consideration with a discussion of the hang tags and scratchers.

Council Member Kniss: (inaudible) you said it right.

Council Member Schmid: Let's see. Let me ask a couple of questions. You say to meter hang tags. Right now there are 850 hang tags on average out there. Do you keep that as a starting point or are you trying to reduce the number?

Ms. Gitelman: Council Member Schmid, I think we would really like the opportunity to come back to you on this issue of the employee hang tags and scratchers. We gave a lot of thought to the limitation and the distribution of annual permits, but we haven't had an opportunity to give a lot of thought to the idea of the limitation on these daily permits. We'd be happy to do that and come back and have a more full discussion at a more reasonable hour on this topic.

Council Member Schmid: I guess the numbers that you have here indicate that you have 1,500 parking permits plus 850 hang tags, I assume that's every day, plus the two-hour parking. The numbers add up to what? 3,000 parking spaces taken. It's not clear what direction we're going.

Ms. Gitelman: Forgive us for not being clear. We're talking about issuing annual permits of between 1,500 and 2,000. They wouldn't actually be on the street every day. I don't know where the 800 number for the hang tags came from. Again, we don't see that number of permits on the street in any given day. We can come back, get into that issue of daily permits in much more detail.

Council Member Schmid: It comes, I guess, in your material at the end. You didn't show that, but it does say employees 1,500 tags, employees daily 850. If there is intrusion showing up, I assume that 850 is a big portion of it.

TRANSCRIPT

Mr. Mello: Those are the total number of daily permits sold for the duration of Phase 1.

Council Member Schmid: For three months.

Mr. Mello: Six months.

Council Member Schmid: Six months.

Mr. Mello: They're not all used at the same time. A lot of them are probably sitting in drawers or in office, in desks.

Council Member Schmid: I think the attempt here is to get some notion of the intrusion, that if we set a limit of 2,000 but actually it means 3,000 or 2,500 plus two-hour parking. The residents see there's no spaces.

Mr. Mello: One of the things that we have proposed is to do quarterly monitoring of the occupancy by zone, so we would collect the occupancy data that we have been collecting throughout Phase 1, and we would look at what the occupancy rates are in the ten zones. If we start to see saturation in one zone, we could ratchet down the permits in that particular zone and maybe assign them to a different zone. We have included a monitoring plan in this proposal.

Council Member Schmid: Let's see. I would like to propose one thing added to "G" that we establish—if the stakeholder group is not going to be continued after a certain period, you say quarterly "public meetings." I think it would be good to have a quarterly return to the Council with an update just as you said for the public meeting, but it would be a formal place where stakeholders, residents can meet in an open session with the Council. Is that acceptable?

Council Member DuBois: Quarterly seems like a lot.

Council Member Kniss: You want a quarterly report from stakeholders?

Ms. Gitelman: Council Member Schmid, I think we'd be happy to provide the data that we collect to the Council in the form of an informational report. I wouldn't want to commit to every quarter having a meeting like this. Maybe the first few times we can come in an open session and discuss what we're learning and if we need to make adjustments. As the program continues, I'm hoping we can transition to providing you with a report. If the report identifies something that you don't like, you could request that we put it on your Agenda.

TRANSCRIPT

Council Member Schmid: I'm concerned about the first. We are still aiming for an April 1st start. Now, in order to do that, I guess we need to have this material come back to the Council before April 1st.

Ms. Gitelman: In order to meet the April 1st date, we're going to need to bring the resolution back to you pretty quickly.

Council Member Schmid: Can't hear you.

Council Member Wolbach: I'm not going to accept that amendment, because I don't think it's necessary. I think Staff understands that we want to be kept apprised of what's happening. If you want to add it as a separate Motion, you can. Maybe I'll end up supporting it, but right now I'm not going to support it as a friendly amendment. I think it's superfluous.

AMENDMENT: Council Member Schmid moved, seconded by Council Member XX to add to the Motion, "report back to Council quarterly."

Council Member Schmid: Are you saying that about the ...

Council Member Wolbach: About your proposed amendment.

Council Member Schmid: ... when they return. It says now Staff will return, and Staff has hinted that they want to return fairly quickly, within the next six weeks.

Council Member Wolbach: Yes. I just think it's superfluous. I'm trying to keep the—I'd like to see the motion be as simple and clear as possible without any fluff.

Council Member DuBois: How about a six-month check-in (inaudible)?

Council Member Schmid: I guess they're two separate things. When does this come?

Ms. Stump: Chair Schmid, just on the schedule of returning, the Staff obviously has some work to do to think about this scratchers and hang tags issue. As soon as they can get that done, they will need to come back in order to get the decisions that will allow them to implement by April 1st. If this group is amenable, we could work with the Clerk and try to determine a time outside of your regular meeting time when this group of five would be available for that. Your meetings are very, very full in the next few weeks already with other items.

Council Member DuBois: That sounds fine, but just to be clear, the only thing that should change, I guess, how many of these things you print.

TRANSCRIPT

We're not really saying—in terms of the work in front of you, I'm not sure this changes anything. Does it?

Council Member Schmid: I think it changes the crowding in the original district. That's the key issue.

Ms. Gitelman: I think we're going to be able to proceed with the contracts. We're going to be able to move forward. I think all of us would like to get resolution on what the program and all its detail looks like. We would like to come back soon, if we can.

Council Member Schmid: I'm happy to withdraw my ...

AMENDMENT WITHDRAWN BY THE MAKER

Council Member DuBois: Do we have a vote?

Council Member Schmid: Is there any other comments on what's proposed?

Council Member Kniss: I have some, yes.

Council Member Schmid: Council Member Kniss.

Council Member Kniss: I'm going to try something that may not be popular. I don't think we're ready to make this decision tonight. You all may be ready to move on with it, but I think it is still somewhat muddled. We've had a number of changes that we've made tonight that I think are substantial. What I would like to suggest is we come back in two weeks. The five of us find, I would say a two-hour period. I think we can maybe even do it in a one-hour period. I'm concerned about a variety of things that are on here including we're talking about lowering the number of permits. That was a very definitive number in December. We're now in February and lowering that number. None of the business community is here tonight that I see. As I said, we've got just about an empty chamber. That's where I'm going. If somebody supports me on putting it off for two weeks, I'm available.

SUBSTITUTE MOTION: Council Member Kniss moved, seconded by Council Member XX to continue this Agenda Item for two weeks.

Council Member DuBois: Could I ask you a question?

Council Member Kniss: Sure.

TRANSCRIPT

Council Member DuBois: All we're doing tonight is we're approving what Staff asked for and directing Staff to come back with a resolution. What if they came back with a couple of options in that two weeks?

Council Member Kniss: I'm not even sure where the boundaries are at this point. I've heard us say different plans, and we've talked about do we do College Terrace or do we do something else. I think your suggestion, Tom, is that in "9: and "10" we don't sell any permits until we work out something else. Am I correct?

Council Member DuBois: Yeah. Again, if you're concerned with like the decrease in "Gi" here on the screen, again maybe we could have two options but have Staff come back with those options for us. I don't feel like we're really deciding anything right now other than to let Staff move forward with their contractors. I know we're asking them to come back ...

Council Member Kniss: I'd say fine, move forward with the contractors, but other than that come back to us. I hate to do it. I know how jammed we are. At the same time, at 12:30 at night with an almost empty group here, we are doing exactly what we said we wouldn't do at our Retreat.

Council Member DuBois: I guess what I'm suggesting is let's have them come back with something specific rather than just continue.

Council Member Kniss: Yes, exactly, precisely.

Council Member DuBois: You're just saying continue the item which is not direction.

Council Member Kniss: Yes. Tom, you're free to put words in my mouth.

Council Member Schmid: Aren't those the words that are there, that we're just asking them to come back within four weeks or five weeks?

Council Member Kniss: No, within two weeks. No, I'm not decreasing employee permits. I think it's probably a good idea, but it's first the night we've mentioned it. No one is here to respond to it. Return to Council with a program to meter the nonresident hang tags, daily scratchers, I think that's fine. Distribute it by zones. At this point, we're saying Zone 9 and Zone 10 are not included, correct?

Council Member Schmid: Signs are going up but no allocation ...

Council Member DuBois: Right.

Council Member Schmid: ... is the only change.

TRANSCRIPT

Council Member DuBois: Right. Again, we're ...

Council Member Kniss: What will the signs say?

Council Member DuBois: The signs are part of the contractor. They're going to have the regular permit signs, but there won't be any ...

Council Member Kniss: We are including "9" and "10" in this.

Council Member DuBois: But without selling any employee decals, the only people that could park there are residents.

Council Member Kniss: If we're putting up the signs that say permit only, then the residents will have to get a permit, correct?

Council Member DuBois: Only the residents that have already petitioned to get that, because they're impacted and they want protection.

Council Member Kniss: Otherwise the other streets will just become impacted with others who want to park.

Council Member DuBois: They have the option to opt in. What I don't think we should do is do nothing, and these people that have opted in for protection are going to get no protection.

Council Member Kniss: They would have protection if we say one cannot park there.

Council Member DuBois: Again, if you wanted to add some other options for this discussion in two weeks, why don't we specify some things to consider?

Council Member Kniss: I think we should consider in that length of time whether or not we're going to actually include "9" and "10" long-term in this plan. That means they would need permits.

Council Member Schmid: That's what Number 3 says.

Council Member DuBois: We could add an amendment, Number 4, consider just what you said.

Council Member Kniss: If we're going ahead with putting up the signs, we essentially have adapted and adopted Numbers 9 and 10.

Council Member DuBois: Can we ask Staff, could we approve your contracts but have you not do any installation on those yellow streets until we have this second discussion?

TRANSCRIPT

Ms. Atkinson: The contract amendment is just to allocate the budget for the signage contractor in the event that signage is needed. No signage can go up until the resolution is adopted or approved, whatever the word is.

Council Member DuBois: Does that address your issue?

Council Member Kniss: I guess we can do that, but I'm not sure what it's going to be used for. I thought it was to be used for new signs.

Ms. Atkinson: It is for proposed new signage, but we would not start field work or installation until the resolution is approved. It's also for modification of the existing signs in the Phase 1 boundary for those stickers that designate what zone is on what block.

Council Member Kniss: I'm not there, you guys. Sorry.

Council Member Schmid: Do you want to suggest something to ...

Council Member Wolbach: Council Member Schmid, may I weigh in?

Council Member Kniss: I suggested continuing the item for two weeks so we can terminate this meeting and set up another meeting, but I don't think we're in agreement.

Council Member Wolbach: Council Member Schmid, may I weigh in on this?

Council Member Schmid: Yeah.

Council Member Wolbach: First thing, I just want to kind of triple check here. I want to make sure that we're all on the same page. The only areas in Zones 9 and 10 which would have signage added are those that are highlighted in yellow. Correct?

Male: Yes.

Council Member Wolbach: Those are highlighted in yellow because residents on those streets don't like what they see, and they're asking us for a redress of grievances. They're asking us to establish parking restrictions on their streets to protect them from parking intrusion from the Downtown core. Is that correct?

Mr. Mello: That is correct.

Council Member Wolbach: I am reluctant to further delay granting that redress of grievance to those streets, so that's why I'm reluctant to delay moving forward. This would not establish RPP for the rest of those blue

TRANSCRIPT

areas. They are merely eligible to sign up if they want to, but there's no obligation. They can opt either way. We've heard from Staff, if it's not clear—do we need to add anything here to get to that idea that you were talking about earlier about being able to opt in or opt out later? Is there anything that we need to do to ensure that that's included? That ongoing flexibility.

Mr. Mello: That's included in the ordinance as presented.

Council Member Wolbach: That's what I thought. Thank you. We're not actually proposing anything radical here tonight. We're just asking Staff to come back. I guess, what if—is there any kind of flexibility that we could add to "G" to what's coming back that would allow us to get to five votes tonight which, of course, we need? Direct Staff to return with a possible resolution or to explore how the permits could be reduced by 200 per year for ten years. We're really just trying to give Staff an opportunity to explore these ideas. Some of them they said they haven't had a chance to really dig into yet. We want to give them time to explore those ideas, then bring them back to us, this group of five, for us to consider more fully at a better time. That's what this Motion does. It gives us a chance to come back and make those tougher decisions with more information at a better time of night.

Council Member Kniss: Can I respond?

Council Member Schmid: yes.

Council Member Kniss: The only way I can do that at this point, Cory, is if—yes, we have those in the yellow designated streets. As soon as those are a controlled street, people will go into the other streets. It is moving just like a flight of birds. When you tell them they can't land here, they just move further. In this case, they're moving further east or further south. I don't see that that resolves the problem whatsoever. That simply says that, yes, you're going to give relief to the yellow streets, but you are essentially going to have to include "9" and "10," because it simply will go out that direction.

Council Member Wolbach: Is it possible to ask a question of a member of the audience?

Council Member Schmid: About what?

Council Member Wolbach: Would the Chair allow asking a question of a member or two of the audience?

Council Member Kniss: Molly would tell you you're the City Council, you can do what you want.

TRANSCRIPT

Council Member Wolbach: I want to defer to the Chair of the meeting.

Council Member Schmid: Yes.

Council Member Wolbach: I'd like to hear from Mr. Beamer. If what we're discussing here, if you think it would be amenable to the Crescent Park neighborhood. Our goal is to provide relief for the neighborhood from parking intrusion. We're trying to do it in a responsible way that's fair to the whole area around Downtown including Downtown North, University South, Professorville and Crescent Park.

Mr. Beamer: You definitely should give the blue area as well as further out areas which—once the blue areas opt in, then the people who don't want to pay permits will park further out. Let's leave that aside for the moment. You definitely want to give the blue area—protect the blue areas from unlimited nonresident parking which is the way it is now. In other words, all the people who didn't want to buy permits are moving into the blue areas. My pitch is to permanently make that resident only. I detect some people—I'm not sure how many people agree with that. At the very least, you should give them some protection. In other words, they should either be in the current permit regime or a College Park. I prefer the College Park. I think a lot of other Crescent Park people do to. At the very least, you've got to have the Downtown RPP there. Now, how many nonresidents you designate there, I hope you minimize it.

Council Member Wolbach: Thank you. I'd also point out that this is still considered—this is still a pilot program. I want to make sure I've got all of my colleagues on board with the message here. We are still talking about a pilot program. Even in this Phase 2, this is still something that we could change later. If we try this in this regime, expanding it onto those yellow streets with the option for all those other streets to opt in as well ...

Council Member Schmid: I think we have reached the time when we should make a decision. It seems to me there are two choices here, to go with the proposal on the table which is to come back within four, five weeks with an update on three specific items and decisions for the Council to make or whether just to continue where we are and come back and start again.

Council Member Gitelman: I think in either case, we're going to try and find a date for a Special Meeting within a couple of weeks.

Council Member Schmid: So there's no difference in the timing.

TRANSCRIPT

Ms. Gitelman: I think the question is are we going to get something done tonight and do a little bit in a couple of weeks or are we going to do the whole thing in a couple of weeks.

Council Member Schmid: Those are the two options we have.

Council Member DuBois: I'd like to vote on the Motion.

Council Member Kniss: Pardon?

Council Member DuBois: I'd like to vote on the Motion on the floor. I'm happy to amend it. Again it's to discuss a possible resolution, if that ...

Council Member Kniss: So that we don't have to come back in two weeks?

Council Member Schmid: No, we are coming back in two weeks.

Council Member DuBois: No, we're coming back. That's what the Motion is.

Council Member Schmid: We're coming back in two weeks, Liz. That's the (inaudible).

Council Member Kniss: It's not in the Motion.

Council Member Wolbach: Can I offer a friendly amendment?

Council Member Schmid: Staff has announced though that the return will be within a couple of weeks.

SUBSTITUTE MOTION FAILED DUE TO THE LACK OF A SECOND

Council Member Kniss: I think that should be in the Motion.

Council Member DuBois: In "G," can you make it to return within two weeks?

Council Member Schmid: Is that okay (crosstalk)?

Mr. Mello: Can I just clarify? The ordinance requires two readings, so we have to come back a second time for the ordinance. What we are proposing is to come back with the amended resolution at the same time that we come back for the second reading of the ordinance.

Council Member Kniss: That means that we are voting on the ordinance.

Council Member Wolbach: Before I approve as the seconder, I get to weigh in before it gets approved as friendly. I just want to double check that

TRANSCRIPT

within two weeks works for Staff. Does it need to be 2 1/2? I mean, I just want to make sure that that's realistic.

Ms. Gitelman: We're going to have poll for a Special Meeting date, and then we're going to have the Staff work done. I think we're going to try for about two weeks, and we'll see if that turns into ...

Council Member Wolbach: Would approximately two weeks be okay with everybody here?

Council Member Schmid: If we could have a little flexibility.

Council Member Wolbach: just a little wiggle room in case we need it ...

Council Member Schmid: So approximately in two weeks.

Council Member Wolbach: ... and in case Staff needs it. I just want to be respectful of Staff. I would suggest that we change it to within approximately two weeks. I'd be fine with that.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion Part G, "with" with "within approximately two weeks with."

Council member Schmid: Let's then move to a vote. All in favor.

Council Member Kniss: I'm not done speaking yet. I'm sorry. If you want my vote, I would suggest you let me finish.

Male: I want to hear Council Member Kniss.

Council Member Kniss: At this point, I'm going to double check a couple of things. Thank you, Cory, for asking Mr. Beamer to come forward. Has he left?

Council Member Wolbach: He's still here.

Council Member Kniss: I'm going to ask him the same question. Mr. Beamer, since you have sent us a variety of missives, you are saying you are comfortable with the two areas that have been added which are called "9" and "10" on our material that we had for tonight. You are comfortable with those going into a regular RPP Program which allows one to opt in or opt out of the program and to have permits. Am I correct?

Mr. Beamer: You're saying that would include nonresident commercial parking to a certain level?

TRANSCRIPT

Council Member Kniss: Yes, up to a certain level in Areas 9 and 10.

Mr. Beamer: That's better than nothing. I'd prefer no commercial parking. I think most Crescent—let me emphasize again, we traditionally have never had that problem. You're pushing the problem into our neighborhood. If you're unmoved by that argument, at least do the "9" and "10" RPP, because otherwise they'll all inundate us with free parking.

Council Member Kniss: I think you're being very rational. In that case I can go ahead with this. I'm really pleased that you stayed 'til this hour in order to answer our questions. Thank you so much.'

Mr. Beamer: It's better than watching the Iowa primaries.

Council Member Kniss: Let us also put into this that—I don't know where it says this is a pilot program. Is that inherent in our Motion?

Council Member Schmid: No, it's to come back and we will discuss.

Council Member Kniss: When we come back, we will discuss that it is a pilot?

Council Member Wolbach: Isn't that inherent in this entire program? That's already in the ordinance and it's in the resolution already. Right?

Council Member Kniss: I don't see it in here in writing, but I'm going to presume that it goes right into—where? The pilot, thank you. Thank you very much. Phase 2 is a pilot. I think that's the only way I can vote for this, knowing it'll come back, knowing it's going to have more airing in the public. Thank you again, Mr. Beamer, for showing up and for your very rational help with making this decision. With that, I think we should vote and go home.

Council Member Schmid: Any other comments?

MOTION RESTATED: Council Member DuBois moved, seconded by Council Member Wolbach to:

- A. Adopt an Ordinance to add Section 10.50.085 (Eligibility Areas) and amend Section 10.50.090 (Modification or Termination of Districts) of Title 10 of the Palo Alto Municipal Code relating to Residential Parking Programs; and
- B. Adopt the RPP Administrative Guidelines; and

TRANSCRIPT

- C. Approve and authorize the City Manager or his designee to execute a Contract Amendment with SP Plus for \$94,000 for Additional Services for Parking Permits and On-Site Customer Service; and
- D. Approve and authorize the City Manager or his designee to execute a Contract Amendment with SERCO for \$60,000 for Enforcement of Expanded Area of Downtown RPP District; and
- E. Approve and authorize City Manager or his designee to execute a Contract Amendment with McGuire Pacific Constructors for \$154,500 for Construction Services for Expanded Area of Downtown RPP District; and
- F. Amend the Fiscal Year 2016 Budget Appropriation Ordinance for:
 - i. The Capital Fund by:
 - a. Increasing the transfer from the General Fund by \$64,329; and
 - b. Increasing the Residential Preferential Parking Project (PL-15003) in the amount of \$64,329; and
 - ii. The Residential Parking Permit Programs Fund by:
 - c. Increasing the transfer from the General Fund by \$94,000; and
 - d. Increasing the Downtown Residential Preferential Parking Contractual Services budget by \$94,000; and
 - iii. The General Fund by:
 - d. Increasing the transfer to the Capital Fund by \$64,329; and
 - e. Increasing the transfer to the Residential Parking Permit Programs Fund by \$94,000; and
 - f. Decreasing the Transportation Contingency fund by \$158,329; and
- G. Direct Staff to return within approximately two weeks with a Resolution to:
 - i. Decrease Employee permits by 200 per year for ten years; and

TRANSCRIPT

- ii. Return to Council with a program to meter non-resident hang tags, daily scratchers, and five day scratchers distributed by zones both in streets and parking garages; and
- iii. Sell no employee decals outside of the Phase 1 boundaries initially and return with a discussion of hangtags and scratchers.

Council Member Schmid: All in favor, let's vote.

Council Member Kniss: I think you've got to do a voice vote. We're kind of all over the place.

Council Member Schmid: All in favor. That passes unanimously.

MOTION AS AMENDED PASSED: 5-0 Berman, Burt, Holman, Scharff not participating

Inter-Governmental Legislative Affairs

None.

Council Member Schmid: With that, the meeting is adjourned.

Adjournment: The meeting was adjourned at 12:38 A.M.