



CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Special Meeting
October 4, 2016

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:05 P.M.

Present: Berman, Burt, DuBois, Filseth, Holman arrived at 5:07 P.M.,
Kniss arrived at 7:01 P.M., Scharff, Schmid, Wolbach

Absent:

Library Advisory Commission

Present: Chin, Hagan, Loy, McDougall, Moss arrived at 6:10 P.M.

Absent:

Closed Session

1. CONFERENCE WITH CITY ATTORNEY
Existing Litigation - 1 Matter
Authority: Government Code Section 54956.9(d)(1)
Eileen Staats v. City of Palo Alto
Santa Clara County Superior Court, Case No. 1:15-cv-284956

Mayor Burt: Our first item is a proposed Closed Session Item with the City Attorney regarding existing litigation, Staats versus City of Palo Alto. Do we have a Motion to go into Closed Session?

Vice Mayor Scharff: So moved.

Council Member Filseth: Second.

MOTION: Vice Mayor Scharff moved, seconded by Council Member Filseth to go into Closed Session.

Mayor Burt: Motion by Vice Mayor Scharff, second by Council Member Filseth. Please vote. That passes 7-0, so we will now go into Closed Session.

MOTION PASSED: 7-0 Holman, Kniss absent

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Council went into Closed Session at 5:06 P.M.

Council returned from Closed Session at 6:00 P.M.

Mayor Burt: ... from a Closed Session item, and we have no reportable action.

Study Session

2. Potential List of Topics for Joint Meeting With the City Council and the Library Advisory Commission (LAC).

Mayor Burt: We will now convene a Study Session with our Library Advisory Commission. I would like to turn it over to kick things off to the Chair of the Commission.

June Loy, Library Advisory Commission Chair: Thank you. I guess I'll just go stand up and start the presentation.

Mayor Burt: You want to do it from out there?

Chair Loy: Yeah. I think it makes sense, because then I can look at the screen better. Hang on while we try the technology here. First, I wanted to thank the City Council for making this session available for us, so we can talk about the Library and just introduce the members of the Library Advisory Commission. Sheena Chin is the former Chair. We last met with the City Council when Sheena was still the Chair, and she continued to be Chair for nine months, a year or something like that, when I started. Bob Moss who, I think, is not here yet. Don McDougall and Doug Hagan. Thank you guys all for coming. Think of this as our table of contents. We have great libraries. Our libraries are providing superior services for Palo Alto. They're very popular gathering places. They provide outstanding programs for our community. They're paying special attention to our diverse population, focusing on teens, integrating with bike programs including the Walk and Roll program. For Council Members, we have a little brochure about Walk and Roll for you. We've had increased engagement with teens especially since the opening of Mitchell, increased virtual access for the digital age, and we're providing very competitive services compared to our neighboring communities. We do pay attention statistically to what's going on with the other communities. Don and I met with Mayor Burt as we worked on this Study Session. He was talking about the importance of using information and technology to improve the lives of our citizens for today's and future generations. That's the focus of the Library. The Library Advisory Commission met in each of the five library branches in the last year, which gave us a chance to be more acquainted with the branches

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themselves. We invite the public, but we actually didn't have anybody from the community at those meetings. We don't usually have anybody come to our meetings, just so you know. During that time, we reviewed the following things: the Sierra Project, which was a step in part of the technology funding project; the digital collection; adult programs; teen programs; overall use of all the libraries including use at College Terrace. We also regularly monitor community feedback that comes to the Library Director. This last year, there were bed bugs in the Library. We paid attention to that, how that was being treated, which has come along very well. The Library's regularly checking for the bed bugs, and no more have been found. Use of bikes. We've monitored book drops, noise, 3-D printing. Commissioners McDougall and Moss attended the American Library Association (ALA) conference. Commissioners Chin and Moss attended a California Public Library Association (CPLA) workshop. We also participated in other events. As part of what we do, as I mentioned, we also look at the comparative statistics that are provided by the State of California for other libraries in the state, and particularly we identified ten other community libraries that we are checking on a regular basis, yearly, to see how our Library compares. We also look at San Francisco, San Jose and Santa Clara County, which are not comparable in size to us, but just to understand what the services are. You'll get little tidbits of those statistics later as we go on. We've tried to provide a lot of pictures. The libraries are bringing our community together. We have here a picture of Mitchell Park, teen bikes at Mitchell Park, girls coding session, I believe, at Mitchell Park and Rinconada Library. Bringing our community together. We have five branch libraries. I'm sure everybody knows that. What this does is it really improves the accessibility of libraries for our community. It's something the community chose to have as their approach for libraries. It improves walkability and so on. The spaces themselves, they're award-winning spaces. We have awards from the American Institute of Architects. The San Francisco Chapter gave us a Merit Award. Mitchell Park Library was a Library Journal Landmark Libraries winner. The California Library Association gave us a PR Excellence award for the grand opening of Mitchell Park. We do very, very well. We provide competitive services and award-winning services. This year, 2015, the Library is again a three star library for the Library Journal, which is a country-wide survey of libraries and their services. That's very good in the set of libraries that we mentioned earlier. Only one other, Redwood City, did get four stars. I think that's possibly because they report that they have a large number of programs. San Francisco and Santa Clara County are also four star libraries. They are much, much larger library systems than we have. Also, in the National Citizen Survey, our public library services were rated excellent or good by 90 percent of those interviewed. That's up 10 percent year over year. Eight percent more people reported that they had been visiting the Library in the survey this

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year as well, so they're being used. For our overall statistics in comparison, Library visits were up slightly overall, which is the first real year with new libraries open. This is 2014-2015 Fiscal Year. We led other communities in visits and in circulation per capita. Program attendance was also up. Although, we're low in population—somewhat low in comparison to the other ten cities that we check against, we're high in collection sites, hours open, number of public access computers, virtual visits and circulation per capita. We're going back to my bullets. Popular teen destinations. We have online access to the Library as well as physical access to the Library, and social media outreach through Facebook and Twitter. Here we have more engagement in the Library. We want to specially notice the Bike Palo Alto Library Services (PALS) program. I don't know if you guys have heard about the Bike PALS program. This upper right-hand corner picture shows the Bike PALS bike, and it's physically in evidence at the back of the room. Please feel free to visit, check it out. Monique, you said that we had 2,500? Go ahead.

Monique le Conge Ziesenhenné, Library Director: I am Monique le Conge Ziesenhenné, the Library Director. In the first month of having it out, we estimate that we reached about 2,500 people in the month of September through using the bike at the Moonlight Walk, at a Paly Club Day, different things like that. If you have your picture taken on it, which you should do, there's a hashtag so that you can post it. We'll add it to our photographs. Thanks.

Chair Loy: Thank you, Monique. Other little items just to check in the—is my cursor going to work? This picture over here is one of the study rooms at Rinconada. We have study rooms in all the libraries. Some pictures from Downtown. Pictures from College Terrace and Children's Library. The Library really has outstanding programs. This picture set, collage, just shows a little bit of something about the programs that we have. We have the New Americans program. I think I'm now changing the wrong slide. We have the New Americans program at the upper left-hand corner. Our firefighters that we've seen before. You can that there's an advertisement for a presentation from Google on digital awareness. More New Americans, and even some handwritten signs pointing out things like our knitting program. It's a very diverse set of programs. Neat things are happening at the Library. Community engagement is up 32 percent for preschool and elementary children and 66 percent for teens year over year. The programs and attendance are up significantly. We actually had 38.5 increase in numbers of programs, programs that are offered, with a 19 percent overall increase in attendance. As I mentioned earlier, the New Americans program is a program that the Library started. Let's see. Family program series designed for new Americans and visitors to learn the customs and values of

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their new home. It's running March through December 2016. There's also English as a Second Language (ESL) and an adult course in how to learn pronunciation and a citizenship corner where new Americans are helped to understand what kinds of resources are available toward study towards citizenship. Wait a minute. I'm trying to skip over the most important thing. Many of these programs are actually funded by State money or government grants or donations, in large part donations from the Friends of the Palo Alto Library. It's not as much a huge section of the budget, as I understand it. Although, it is of course something that the Staff spends a good deal of time on. Is that about right, Monique?

Ms. le Conge Ziesenhenné: Yes. If we have a speaker or a presenter who charges, that comes from the Friends or is paid for through a grant related to that program. Staff time is spent on preparing for it or making the arrangements. Even supplies are paid for through the grant funding from the Friends. Evaluation is done on Staff time, but for the most part that's how that's separated out. Frankly, without the Friends money, we wouldn't have really a summer reading program. They pretty much fund that entirely. It's a great opportunity. We maximize the use. We do try to find like Dan Russell. We're fortunate he lives in the community. He works at Google. He volunteers and does this for us once or twice a year.

Chair Loy: Thank you, Monique. More pictures of some of the programs that we have. The programs bring people into the Library. They are a way for people to get together and use the Library buildings and services. We wanted to spend a little time focusing on teens in the Library. Mitchell Park, as you know, has a teen center available. Now it has also a little preteen area. There are seven youth librarians in the Library. I believe that number is up. As we mentioned earlier, increased program participation. This year there was a Teen Library Advisory Board; 13 teens took part in that program. They met with us at the College Terrace Library. I think this picture here with the Post-It note, that's from finals week cram. I think that was part of the results from the teen LACM. Did I have that right?

Ms. le Conge Ziesenhenné: The teens have made the most of that wall when you enter Mitchell Park, doing all kinds of things, either surveys of teens, sending messages to each other to encourage them during finals week. Following the tragedy in Orlando, they created a memorial there. Every time you come in—they also did a Pokémon poster, so that you could draw the Pokémon that you had caught in the park around the Library. They've used that space to their advantage for short-term information sharing and things like that. This is just one example of those projects. I did want to also point out that there is of course a teen space at Rinconada

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Library as well, that is becoming more used. The Teen Advisory Board plans programs and services for both of those libraries.

Chair Loy: Thank you. We also do have 3-D printing. You guys are probably familiar with the 3-D printing that was part of the Makerspace program, which is now actually at Cubberley, I think, for the time being. Additional 3-D printers have been added, one at Rinconada and another is planned for Downtown. Those services have been very, very popular. Let's see. There's public access to the printers. They're not charging for it, but the Library Staff is assisting use or actually running the jobs, I think. Virtual reality, the new craze. The Library has purchased four virtual reality sets, and they're going to look into how to deploy those and make those available. First, it's experimentation. More pictures of teens. We have mini golf over here. This is a picture of the Facebook page post from finals cram. Pokémon, 3-D printers, teen Library Advisory Commission (LAC) and preteen space. There were 120 kids that went to the finals cram. Just a little focus on collections and use. We have an increased foreign language collection. The Lucky Day collection. Let's just talk about my bullets. The book collection size had gone down when the libraries were closed as one of the ways to deal with that situation. It's now slightly up year over year. Check-outs are slightly down, which is not inconsistent with other Library data across the state and the country. The media collection is down a little bit, and the check-outs are down, not as much. E-books and e-music collection is up hugely. Is that due to the addition of the actual assets or is it due to a new service also?

Ms. le Conge Ziesenhenné: It's a result of both. We continue to develop those collections and look at them. We haven't really added any new services. We've worked hard to promote them. We continue to offer tutors, one-on-one tutoring. If you have a device, you don't know how to download an e-book or stream a movie, and you'd like some assistance, I know former Council Member Gail Price took advantage of that and had a teen tutor her on two different occasions for different items. It's a combination of factors.

Chair Loy: Thanks, Monique. The check-outs in the e-books and e-music are up considerably. They're up a huge amount, but they're not as big as the circulation of books in general. We should be aware of that. The e-stuff is great and it sounds great statistically, but people do still love books. Monique started the Lucky Day collection. That's a collection of popular books, like best sellers, that you can take out for a shorter period of time. They're not subject to holds.

Ms. le Conge Ziesenhenné: Correct. They are very popular items, books and DVDs. When you walk into a library branch, you won't know what's on

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the shelf ahead of time, so it's your lucky day. You show up, and that's what you can check out. You're limited to ten of those items, and they only check out for 1 week compared to the four week checkout for our regular material. You need to read fast. Many people take as many as they can and then realize they can't do it. It's another way to satisfy the people who happen to come into the Library on a frequent basis.

Chair Loy: It's also my unofficial survey of various people who talk to me about the Library. It seems to have caused people to not say, "I can't get the best sellers at the Library," and instead say, "I found this at the Library," which is a whole different attitude. Now we're going to get a little technical. This year, the Sierra program was rolled out. This was part of the 2011-2013 technology—I wrote 2011. I think it's 2009-2013 technology plan, which had the idea of a full-service, online Library branch. This is a state of the art—other libraries are using an open library type of platform for handling a catalog upgrade. All the content appears in the catalog regardless of format or source. It gives you better search results, gives you online links to the digital collection. You can easily put a book on hold through the catalog. There are two tabs on this catalog, if you've used it. One says catalog; one says catalog plus. Catalog plus is Link+ interlibrary loan system. There's a special mobile interface which is really much needed in these days. It makes it much easier to read things and use this stuff on your phone. There are also language preference settings, which is pretty fantastic. When Don and I talked to Mayor Burt, he said he would be interested in how the digital collection works. We have a few little examples here. This page shows three pictures, three screen pages from my phone. The screen on the left, at the top, has a little app. This little app up here in the left-hand corner is called My Library. It's in beta, but it gives you this picture here. You can click here and search the catalog. We'll show you a little bit about what that looks like in a bit. You can look at your account. This is my account. It shows that I had at the time two books checked out, two books on hold, and no fines. Social media is integrated into that. That's a great way to be able to quickly check things. Each of these apps is actually a separate app that you could use to view your e-books or e-media if you checked out. We'll talk more about them in detail, but they are different magazines and types of books. We talked about part of this already. The mobile app interface, which you click on if you're in My Library, is much more intuitive for mobile use. You might find that, if you were just using Safari and you did a search for Palo Alto City Library and then clicked on the catalog. It would show you to mobile part. I covered everything on these bullets, so we'll just go on to another picture. This shows what the catalog looks like. Over here, this is the mobile app. This gives you a lot of choices, but basically each one of these things is one of the possible services that you could use. They are separate services, and that's one of the things

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that's a little hard to grasp about this digital collection. Our experience with books is that we go to the book store or we go to the library, and we walk down the shelves, and we can pick any book regardless of who the publisher is. That's not how the digital world works. If you have an iPhone, you're going to find iPhone apps. If you have an Android, you have to look for the Android apps. Sometimes the app is not the same or they're not offered on both platforms. It's sort of similar with the digital books. This little scenario on this slide shows you—let's see. You would click on, say, the catalog, which is here. After I've done my catalog search, I'm going to find a book. I was looking for the human genome. Here's my book on the human genome. When I click on this, then I get to see the cover, some more information just like I would on Amazon or something, and a button to download. After I have downloaded it, then in my app the book shows up. I can click on it and read it, where it says read. As I mentioned, there are multiple vendors. This just shows you multiple apps, they look differently. I can't tell you off the top of my head which one of these is. I think this is Overdrive. Each of these is separate. Zinio offers the magazines, I think, mostly. This is what it looks like. This is what reading a magazine might look like. Music mostly through Freegal and Hoopla. Let me see if I have anything else we want to mention. Some of the e-books can be read right inside your web browser, also without necessarily using a particular app or use on your PC. We mentioned earlier that Friends of the Palo Alto Library does provide quite a bit of funding for programs. I just wanted to put this slide up, which is not easy to read. I will help read it for you. This section here, Friends of the Palo Alto Library (FOPAL) grant for 2015 to the library was \$170,000. That's through mostly book and other media donations and their book sales and the results of the profits of their book sale. They do depend on being able to use Cubberley and the facilities provided there, which allow them to deal with the volume of books that they have. They're one of the few places—whatever one would call that—facilities that you can call that will come to your house and take your books for you if you have a very large collection, which is a service which does get them more interesting collections. They do some really good things including selling the more expensive books, the more valuable books on Amazon. They do depend on that storage at Cubberley, and they did want us to bring up to the City Council that that's important to them. They hope that whatever happens to the disposition of Cubberley we keep in mind that FOPAL needs the space. They would like to stay at Cubberley if they can. The data here. This section here, the blue section, children and teen programs is 20 percent of that grant, and that's about \$35,000. The book function was about \$88,000. The leased books about \$30,000, which is the—I keep losing my mouse—blue section here. Community programs were about \$12,000. Together, about \$14,000 and 20 percent of the FOPAL grant went toward programs at the Library. That is most of what we wanted to tell you in

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terms of data. We have a couple other things to consider. Library hours were increased last year. Actually there's a typo on this slide about September 2015. The number of hours was increased by 36 additional hours open across the board. Basically, Rinconada and Mitchell are now open 10:00 A.M. to 9:00 P.M. on weekdays and 10:00 A.M. to 6:00 P.M. on weekends. Children's hours were extended; now they're 10:00 A.M. to 6:00 P.M. on weekdays and Saturday, and Sunday 1:00 P.M. to 5:00 P.M.. The hours also were sort of more normalized, so it's much easier to realize what the state is. All the libraries open at 10:00 A.M., close at 6:00 P.M. unless they're Mitchell or Rinconada when they close at 9:00 P.M. except on weekends when they close at 6:00 P.M. like everything else closes anyway. We think this has been very well accepted by the community. The Library will probably be looking at acquisition of new technology assets going forward. It's something to think about. The LAC does have some future topics planned for consideration for presentations. We'll be looking at the library volunteer program. We're looking at Project Safety Net, 3-D printing and virtual reality and Library marketing and social media use programs. We'd like to open the floor up for questions, comments.

Mayor Burt: Thank you. That's really quite an incredible report and an amazing amount of activities and initiatives going on in the Library by all the work that you do and all the great work that our Staff does. Just thank you both for all that exciting stuff. What we can do is open it up to Council Members for questions and for members of the Commission if they wanted to add any supplemental information or thoughts. I'll kick it off, Council Member Holman. Because we can't use the lights, people need to raise their hand, and I'll keep an eye open.

Council Member Holman: Thank you. I agree with Mayor Burt, what a remarkable presentation and what a remarkable body of work. It's really phenomenal. You've made us all proud, and I hope you are all proud of the accomplishments. This is pretty remarkable. I have one question. I didn't find it in any of the charts here. We have several libraries that are closed on Sunday. Wondering what the days are that have the most visits. In other words, if we would open on Thursdays at College Terrace, is that the best thing? Would it be to open on Sundays, would that be the better thing? Do we have any information on that?

Chair Loy: I actually do not. I suspect we would need to get back to you on—you're saying are there any days that they are open now that appear to have lower usage, that might be better choices for it to be closed. Is that what you're asking?

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Council Member Holman: That's putting it a different way. My question really had a different thrust to it. If we were going to open College Terrace, for instance, because it's closed three days a week, would the best day to open it be Thursday or Sunday, for instance?

Chair Loy: I see, best day to open.

Council Member Holman: Do you have any records on what the biggest visitation days are at the other libraries?

Chair Loy: I see.

Ms. le Conge Ziesenhenné: Actually, we have the ability to look at—to do two different things. One is check circulation records per hour. We can look at—in some cases we do sampling of attendance. College Terrace, I don't believe has a door counter at this point. It's getting the plugs in the right place. You've got two entrances, the same as Rinconada. Yes, we can get to that information and track the use for all libraries by day, by hour and figure out what the attendance would be. Of course, we can't guess would more people come to College Terrace on Sunday as opposed to Thursday unless we just ask the community and did a survey. If it were possible, what day would you be more likely to visit? We do seem to get a lot of people who walk over from businesses and companies in that area. The question is, is there a balance and how do we satisfy that.

Council Member Holman: I'll wrap it up with this, because I'm sure other colleagues have questions too. I'm just wondering if it would be better to be open on a Thursday, because as you say there's the business community that's not very far away and also there's a daycare right there adjoining it. Does that also prompt people to come and maybe stay longer? When you come back with that information or report back with that information maybe through the City Manager or whatever, also what the cost would be to open on that additional Thursday, for instance.

Don McDougall, Library Advisory Commission Vice Chair: I'll try answering that. We've talked to Monique about doing a survey because it's not just College Terrace. When you talk to somebody who lives in Midtown, they want to know why that library isn't open until 10:00 P.M. at night or whatever. We've recommended that we try and do a survey. Monique has talked about trying to do a survey that would give us better information. What we do know is it costs about \$700 an hour to keep the Library open. If we upped all libraries to fundamentally being open seven days a week and to 9:00 P.M. or even 10:00 P.M., the \$9 million budget that Monique has now would end up being about \$1 million more. We don't think that's sustainable in the long run if there's risk of a downturn. We're trying to figure out the

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best way to do that. I think Monique's team is doing a good job of trying to analyze that. There's other alternatives that should be considered in that too. There are now machines—the success of the Lucky Day, seven day thing, you can actually get machines now that we could put in a shopping center, in Town and Country for example, that would have 250 books in it and would be available 24 hours a day and also would be a place where I could pick up my holds and a place where I could drop off books. Does that make sense or not should also be part of a survey that we're looking at.

Council Member Holman: Thank you.

Mayor Burt: Council Member DuBois.

Council Member DuBois: Thank you for the great report, and thanks to all of you guys for serving. Appreciate it. I actually really like the Lucky Day collection. I think that's a great idea of walking in. It's like you're in a book store. You get the new books.

Vice Chair McDougall: Now we know who takes out ten at a time.

Council Member DuBois: No. It'd be great to see you start to report on use and satisfaction of the meeting rooms. We have free conference rooms you can reserve online. I think that's a great service for the community. I had the same thought about hours of operation. I think in the chart you're reporting total hours and hours per user. I'd be really interested in seeing comparison of the range of hours of our City versus other cities. Because we have five libraries, I think our total hours stack up very well. I'd be interested to know are other cities staying open late in some libraries.

Vice Chair McDougall: I don't have the statistics on how much later they stay open. We actually have 260 hours a week of open libraries. Mountain View has 64, and Sunnyvale has 66. Monique may know the hours.

Council Member DuBois: That's what I'm saying. I don't think total hours is the only measure. I think it's range of hours.

Ms. le Conge Ziesenhenné: Right. Initially when we were looking at what hours to propose, no other public library was open past 9:00 P.M. except for the Midtown Manhattan branch, which was open until midnight. Salt Lake City was investigating 24-hour library downtown for one library, not for everything. They have not yet initiated that. It included partnerships with needing police there, social workers, a medical staff, things like that in addition to library staff. There weren't public libraries that were open beyond 10:00 P.M. There are some that open earlier in the morning, 9:00 A.M. being the earliest that I have found.

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Council Member DuBois: Thank you. In terms of future ideas, I'm really interested in the online learning and maybe investigating whether libraries can have subscriptions to paid online learning courses. I think that might be an interesting area to explore. Just generally I'd like to see us—we're doing pretty well in teen programs. I'd like to see us continue to push to increase the amount of teens we get visiting and participating in those programs. Thanks.

Vice Chair McDougall: Monique, do we not provide access to Massive Open Online Courses (MOOCs) through the library today?

Ms. le Conge Ziesenhenné: We actually don't—we do provide it if the users themselves come in. There are a number of meeting rooms that are regularly in use by classes meeting. We have in the past offered things like lynda.com. Use was so low that we didn't continue it. It may be a function that there's greater interest now again, and we can investigate resuming something like that or what other options there are. There is another one that is specifically aimed at libraries that we're investigating adding as well. We're testing it out to see how it works. Niche Academy, I think, was another one that we were looking at.

Mayor Burt: Council Member Schmid.

Council Member Schmid: I join my colleagues in thanking you for all the information provided. It's really the first time that we have a chance to have some real data from before our libraries closed to how they're doing with all of them open. It's really wonderful to see the explosion in e-books, the availability and numbers, the circulation of them. Just over the last year, circulation has gone up 75 percent. Another remarkable thing is the programs, the number and variety of programs that are being offered. Again, it's a 50 percent increase over the last decade in number of people participating in those programs. My colleague mentioned the meeting rooms. I think that also the number of them has grown tremendously, and I think their utilization—I'm not sure what it is. When I go to the libraries, they are usually well used. Those are all indicators of remarkable success in keeping up with the world of Palo Alto. I guess there are some numbers comparing the last 10 years. The book collection remains basically constant with what it was 10 years ago. Circulation is down by 12 percent over that time. Now there's a substitution going on with e-books over books, but it is a significant change. Maybe what's most disturbing is the number of visits compared to 10 years ago is down. I thought with the new libraries, the extended hours, that visits would have jumped up. I guess the attraction of people to physical place has not grown over that time despite the success of the programs and the meeting rooms. Maybe people are spending their

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time differently and spending more time, but that's a key question. I guess I'd ask the Library Commission how are you assessing the long-term changes going on in our Library and what does it mean for programs in the future for, say, our Comp Plan that tries to look out 15 years. What do these changes mean for the role of the Library? One concrete question I have. I note in many neighborhoods there are now corner libraries that have become very popular. People just bringing books, leaving them, getting new books. Is that in any way sponsored by the Library? Who puts those libraries out there? Is it a challenge for the Library or a benefit to the Library?

Ms. le Conge Ziesenhenné: The little free libraries are a grassroots movement. People decide that they want to put one in their front yard. The Friends of the Library actually go around town and, when they see one, they will put some of their really good books in there with a sticker that says from the Friends of the Palo Alto Library and talks about their books sales and the opportunity to get more books. We definitely don't see it as competition, just as we shouldn't view book stores as competition. They are our partners. We look for ways to expand on that. I suppose once everybody has a little free library in their yard, then I might be a little concerned. I think we have good, what you call market penetration for people in terms of Library use and library cards. People who are readers are going to read and find the books that they need or browse for, and we support that. We haven't done anything formal that way, but we certainly do lead people to those locations when they're curious about them.

Council Member Schmid: Actually if you take into account the circulation of books—they're probably mostly popular books—at the corner libraries, maybe the use of real books has increased over that last decade.

Ms. le Conge Ziesenhenné: Yes, it's possible. One of the things we've worked on over the last three years is to add nonfiction materials, things for adults that will improve the average age of collections. When the libraries were closed, we did a study and looked at each range of numbers. Our average ages in many sections were in the 80s and 90s. We have been meticulously going through and doing collection development in a very thoughtful way that will address knowledge gaps and missing bits of information.

Council Member Schmid: That's an important piece of information to circulate. Thank you. Look forward to another 10 years of growth, expansion and change.

Mayor Burt: Council Member Berman.

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Council Member Berman: I want to pile on the kudos from my colleagues on the work that you guys have been doing and the presentation tonight. When we were renovating the libraries, we really wanted them to become more than just an area to check out or read books. We wanted them to become mini community centers across town. I think the breadth and depth of programs that exist now really show that that is the case, and that's fantastic. The two complaints that I get the most about our libraries are not enough parking at Main Library and they're not open enough. Those are two good problems to have. The Walk and Roll maps that you guys provided are a great way to try to tackle the parking problem. We've moved to increase the hours that the libraries are open and can continue to look at that. I'm understanding of the problem that it might sound easy to just tack on an hour here or an hour there, but for staffing that can create bigger challenges than it might seem. I'm glad that we're at least analyzing the different options. One of the questions that I had—forgive me if you covered this in your presentation. I was listening and also reading through all the material at the same time. I noticed that for the Children's Library—I can understand the fluctuations. Rinconada came online, and so it might drop a little Downtown and College Terrace. For the Children's Library, that dropped considerably; the checkouts in books and other items dropped considerably; although, branch visits did not drop that much. Were there a lot of people using Children's Library who would otherwise use Rinconada? I don't recall exactly how we handled that transition. I'm getting a lot of nods that that might be the case.

Ms. le Conge Ziesenhenné: I'll help you with that one. Actually, it's probably more Mitchell Park that has moved some people. I think a lot of people in the south part of Palo Alto would come to Children's as a destination. Now, Mitchell Park for them is closer and also quite a destination if you combine that with the park and the Magical Playground and any other activities that are going on there. That is our sense, that circulation has moved that way. Rinconada has a small children's section mostly for kids who come late at night with their parents. Our educated guess is that it has moved more towards Mitchell Park.

Council Member Berman: Mitchell Park has a great area in the back. I'm going to call it the kiddie zone. I don't know if that's actually what it's called or not.

Ms. le Conge Ziesenhenné: Yeah, the kid zone. By square footage, it is the same public service space as Children's Library is. They're equal in size; however, the use—they have many similar things, but they do have a very different vibe, if you've been to each children's area. That's great. People need choices.

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Council Member Berman: Absolutely. It's a good asset to our residents in south Palo Alto to not have to come all the way to the Children's Library. A number that jumped out to me in the handout you gave us, other media dropped from 541 to 15. Did we just kind of reclassify certain things? There's no way there's ...

Ms. le Conge Ziesenhenné: Other media includes things like the watt tester for electricity or backpacks that are for story time or different things like that. Those things transition in and out pretty quickly. They might last for a certain amount of time, but they're not going to be as durable as other materials. We may add them all back again when we ...

Council Member Berman: Got it. We just might be out of some stuff based on (crosstalk).

Ms. le Conge Ziesenhenné: Correct. They may be something like a number of those kits to test your wattage, that really never circulated. There were a couple of other senior kits that were a project from 10 years ago. We had kept them; we weren't using them in the same way anymore.

Council Member Berman: One more question that I don't know who should answer. There was something about youth librarians. What is that? I remember being a library advisor or helper at Jordan Middle School when I was growing up. I loved it. What is that? Can you tell us a little more about that program?

Ms. le Conge Ziesenhenné: Yeah. Librarians work—those that are specially trained to work with youth, whether teens or children, that's the number that we currently have on Staff.

Council Member Berman: Got it. I didn't quite understand. I thought maybe they were youth that were like librarian apprentices or something.

Ms. le Conge Ziesenhenné: No, no. These are actual degreed librarians who work at Children's Library, children's section or in the teen zones. We have other adult reference librarians, things like that.

Council Member Berman: Thanks.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: Thank you. I also will pile on the kudos too. I think you guys are doing a great job. I strongly feel that our libraries are in really good hands with Monique and the Library Commission. I really appreciate the data you've provided. In looking at the data, I guess a couple of things

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jump out at me. One, it seems that we have many more visits of people that come than are checking stuff out. I guess I'm wondering are our libraries transitioning a little bit to be places for studying, meeting. You sort of indicated that people go to Mitchell Park to make a day of it and that kind of stuff. Am I correct in reading that? Circulation is still obviously really important, but a meeting place may be a new mission of the Library, so to speak.

Ms. le Conge Ziesenhenné: Yes, I agree. People walk in with their laptops. Some spend most of the day there working on whatever they're working on. Somebody said, "I love your meeting rooms. We're working on a startup, so we're meeting there as a group once a week." We're serving a wide range of customers. I think you're absolutely right. People are making a day of it, whether they're doing homework or whether they're doing their own business or whatever.

Vice Mayor Scharff: It seems a little hard with Rinconada opening and the huge surge of people at Rinconada when you look at those statistics. Attendance seems to fall, customer counts, and then you have the huge customer count, obviously increase, in Rinconada. It's hard to tell if people are now going to Rinconada and not going to the other libraries because they used to go to the other libraries, whatever. I'm hoping that when we do this, it'll sort of normalize and we'll get more of a sense of what's really happening over time. Do you have any sense at all how that will play out?

Ms. le Conge Ziesenhenné: The Staff Report to me that they're seeing more and more people going to Rinconada. They're seeing that actually trend a little bit up. I agree with you that next year, when it has kind of normalized, we'll have a better sense of where are they using it, what library are they using the most.

Vice Mayor Scharff: A couple of times I've been to Mitchell Park in the evening. I've noticed huge numbers of teens studying and socializing. I actually haven't been to Rinconada. Are the same things occurring in Rinconada or is it really a Mitchell Park phenomena?

Ms. le Conge Ziesenhenné: I think it's more a Mitchell Park thing. We have had opportunities for teen programming and things. We are getting more teens to come to Rinconada, but I believe that more of them are at Mitchell Park late in the evening.

Vice Mayor Scharff: The other thing I noticed is that—the one time I was there until 9:00 P.M., it seemed the place was completely full of teens at 9:00 P.M.. You had to literally throw them out.

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Ms. le Conge Ziesenhenne: Yes.

Vice Mayor Scharff: I did wonder about increasing the hours. What we thought if that would get more use, if that would be a useful thing for people to be able to finish studying. When I talk to parents and I know my kid, they're not stopping studying at 9:00 P.M.. It goes well beyond that. I guess I just wanted to get some sense, when we do look at these Library hours, if we do spend more money on Library hours, what would be the most useful and efficient in terms of serving the people in the community (crosstalk).

Ms. le Conge Ziesenhenne: I think we should do a study just to get a better sense of which libraries are busiest which hours, survey the neighborhoods around there, and have some community conversations around that too. Engage them in discussing what are the priorities for them as parents or teens, understanding that better.

Vice Chair McDougall: We know from keeping the libraries open during study time that that is really popular. Of course, the popcorn helps too.

Ms. le Conge Ziesenhenne: For the last two, three years now, we've been doing a study hall essentially during finals week. If you have a student ID, you are allowed to stay until 10:00 P.M. We use just the first floor of Mitchell Park and the teen center. We have activities to help them deal with stress. We have snacks. We have other things. Different principals have come by. Teens have been there, and it has been very successful. We plan to continue that for that last hour. That may be one of the indicators. Maybe during finals week, we find out if we were here every night until 10:00 P.M., what does that mean for you.

Vice Mayor Scharff: Thank you.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: I'll also add my voice to those saying thank you very much for the work you're doing, Monique, and the rest of the Library Staff and the Commission. I was liaison last year to the Library Advisory Commission. It was clear then and it's clear based on this Study Session, this report that, as others have said, our libraries are in good hands. Thank you very much. Please keep up the good work. One thing I actually wanted to ask about. On Slide 14, you talked about the collection of foreign language materials growing. I just had two kind of follow-up questions. What are the most popular languages that are being checked out and being utilized currently? What are the language areas for our foreign language collections which you've seen the most demand for that's currently lacking,

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that you're targeting to increase? I don't know if you have that in data or if you have any anecdotal ...

Ms. le Conge Ziesenhenné: June's shaking her head, no, I don't know.

Council Member Wolbach: What can we do to get more data?

Ms. Le Conge Ziesenhenné: I can get more data, and I will do that. We do bilingual story times in Mandarin, Cantonese, Spanish, Russian. We've done them in Hindi. Did I say Spanish? Maybe one or two other languages. We concentrate on building up the Chinese, Korean, Spanish, Russian. Videos in Farsi are extremely popular. We never seem to be able to handle that demand. As you can imagine, there's a limited supply of what might be available. One of the things that we really do is look at the changing demographics of our community. I can get you actual numbers, and I will do that. For us the challenge is working with the vendors to track down durable, long-lasting books. Oftentimes, books in foreign languages published in other countries are not intended to be as long-lasting. They're more ephemeral. We are looking for that. We have magazines and newspapers from all around the world in all of their original languages every day available on press display. You could read Die Zeit and see what's going on in Germany and read items in Chinese. We will be adding a Chinese language platform for news and information coming up.

Council Member Wolbach: Thank you.

Mayor Burt: I just had a few follow-up comments and questions. First, I want to support Council Member DuBois' encouragement to look at the online learning as an emerging direction. I just want to say when Council Member Berman was talking about lack of parking spaces or shortage of parking spaces at Rinconada, I was confused at first because I never have a parking problem there because I ride my bike. Then, I realized he was talking about cars. On that vein, I just want to say what a great thing this Walk and Roll is. For those who haven't seen it, it's bike and pedestrian routes to the libraries that we have now well established. It points to an effort that I think the Commission and Monique have been involved in which is how the libraries become more integrated with the rest of the community, the rest of the department functions. When we look at the expanded role of the libraries, these are community services that are being performed there. I wanted to follow up on two particular parts of that. I saw in the presentation that Mitchell was listed as not having 3-D printing for environmental reasons. I didn't know what those might be.

Chair Loy: It's an Leadership in Energy and Environmental Design (LEED) certified building. There were concerns about the emissions from the

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existing 3-D printer. Perhaps new ones would be okay. Monique will say more.

Ms. le Conge Ziesenhenné: It all of a sudden occurred to me we had these rooms for paper copy machines that have to be separately vented to the outside for points on LEED Platinum. I thought this is melting plastic. Is there an issue with this? It turned out yes, there could be an issue. At this point, not that there is LEED recertification, so we might not need to do it. We held a community conversation. We actually invited people to both Rinconada and Mitchell Park Libraries to talk about what do you think about the future of technology and this kind of thing. It was very interesting. The librarians who hosted this said most people really didn't care. They would just like to see the 3-D printing. We are rolling them out. The problem we're having is the plastic keeps clogging up, and we can't get it to come through. We're working on the technology itself. There are available sign-ups through our E-vents calendar on the website. I don't think that there's anything available until December. Doug Hagan, you tried right? We're going to keep adding.

Mayor Burt: What I was hoping is that we would be looking at expanding to Mitchell. If it needs separate venting like we do for copiers, I don't think that's a real big deal.

Ms. le Conge Ziesenhenné: We're getting it. It's on its way.

Mayor Burt: At Mitchell?

Ms. Le Conge Ziesenhenné: Yeah, yeah. We're getting it. We're just trying to work out the kinks of how do we keep it from not extruding.

Mayor Burt: The other thing I would love to see is even stronger collaboration than I'm aware of between the Mitchell teen center in the community center space and the teen center in the library. I appreciate the teens are not doing identical things in those two areas. It just seems that's an opportunity to explore greater collaboration between those two facilities in the same library/community center complex. I'll just leave it at that, as something that I hope there's a possibility for further collaboration between the Community Service Department and the Library Department. On that note, I'd just like to say on behalf of what I've heard from everyone, keep up the fantastic work. We really appreciate what the Commission's doing and the Library Staff. It's really exciting after the community investment that occurred in rebuilding the libraries, and a real question about what would be the transformation of the libraries. The answer is it just continues to transform. That's fantastic. Thank you very much.

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Chair Loy: Just one final thing from me. We want to thank Monique and her Staff very much for all the wonderful things they do. Thank you.

Mayor Burt: We'll take just a moment to let the Commissioners move. You are welcome to stay as long as you like this evening to enjoy the rest of our meeting.

Special Orders of the Day

3. Appointment of two Candidates to the Planning and Transportation Commission for Terms Ending December 15, 2020 and one Candidate to the Planning and Transportation Commission for an Unexpired Term Ending December 15, 2018.

Mayor Burt: Council Members, we are now onto Item Number 3, which is appointment of candidates to the Planning and Transportation Commission. The way we have this set up is that the first ballot is for selecting two candidates for the term ending December 15, 2020. After we have selected those two, we will do another balloting for the one term that is open through December 15, 2018. You're just voting for two at this time. We can go forward and put those up on the—I actually think we've ...

[The Council proceeded to Agenda Changes, Additions and Deletions and City Manager Comments.]

Mayor Burt: Does the City Clerk have some results?

Beth Minor, City Clerk: I do.

First Round of voting for two positions on the Planning and Transportation Commission with terms ending December 15, 2020:

Voting For Rebecca Eisenberg:

Voting For Claude Ezran:

Voting For Przemek Gardias: Burt, Kniss

Voting For Brian Hamachek:

Voting For David Hirsch:

Voting For Frank Ingle:

Voting For Natasha Kachenko:

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Voting For Gabriel Kralik:

Voting For Michelle Kraus: Berman, Kniss, Scharff, Wolbach

Voting For Ed Lauing: Burt, DuBois, Filseth, Holman, Schmid

Voting For Christian Pease:

Voting For Jessica Resmini:

Voting For Reshma Singh: Berman, Scharff, Wolbach

Voting For Srinivasan Subramanian:

Voting For Doria Summa: DuBois, Filseth, Holman, Schmid

Ms. Minor: Ed Lauing has been appointed to Planning and Transportation with five votes. We will need to do a second round for the second full term.

Mayor Burt: Thank you. While we're taking up that matter, I wanted to just share with everyone that the City Manager was away last week for the International City Management Association Conference, where he was the recipient of the organization's Award for Career Excellence at their annual meeting, which is a very esteemed award in what is the International Association of City Management. I just want to acknowledge—we tend to take for granted those who we have serving us locally. Outside of our community, they take a step back and fully appreciate how privileged we are to have someone of Jim's caliber serving our community. I'd like to represent the award to you, Jim. I have it here. It's been stolen from your office.

James Keene, City Manager: This award is sort of driven by some criteria, mainly by supporting representative democracy and the effectiveness of local elected officials. I just want to say that the eight years I've been here with the Council, I'm sure, has enabled me to do that. You all have made that very easy to do that sort of work. It's really a testimony to the quality of the elected representatives of this City in particular. I've had the honor to work with folks in other communities, but the quality of City Council Members—I've worked with a whole bunch already just in eight years—has been really a very high level and high caliber. I share this award with you. Thank you.

Mayor Burt: Thank you. Do we have results?

[The Council proceeded to Oral Communications.]

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Mayor Burt: I think the Clerk may have the latest polling on the Planning and Transportation Committee.

Ms. Minor: Mayor Burt, I do.

Second Round of voting for one position on the Planning and Transportation Commission with a term ending December 15, 2020:

Voting For Przemek Gardias: Burt, Scharff

Voting For Reshma Singh: Berman, Wolbach

Voting For Doria Summa: DuBois, Filseth, Holman, Kniss, Schmid

Ms. Minor: Doria Summa with five votes is appointed to the second full term for the Planning and Transportation Commission. We'll do the unexpired term.

Mayor Burt: Thank you.

[The Council returned to Oral Communications.]

Mayor Burt: Do we have a count ready?

Ms. Minor: I do.

Third Round of voting for one position on the Planning and Transportation Commission with a term ending December 15, 2018:

Voting For Przemek Gardias: Berman, Burt, DuBois, Filseth, Holman, Kniss, Scharff, Schmid, Wolbach

Ms. Minor: Rather than go through each of the individuals, everybody voted Przemek Gardias.

Mayor Burt: We have three Planning Commissioners. Welcome to the new Commissioners. We certainly had an outstanding candidate pool. We had 16 candidates. I think it was a very strong consensus of the Council that we really valued the candidates who applied and hope that they will participate in either future applications for the Commission or other Boards/Commissions or other ad hoc ways to serve the community. We thought it was a really exceptional candidate pool.

[The Council returned to Oral Communications.]

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Agenda Changes, Additions and Deletions

Mayor Burt: While the Clerk is totaling those, do we have any Agenda Changes, Additions or Deletions? I don't believe we have any.

City Manager Comments

Mayor Burt: We can move on to City Manager Comments. Mr. City Manager.

James Keene, City Manager: Thank you, Mr. Mayor, Council Members. First of all, just a report on this weekend's Bike Palo Alto and the Bike and Roll Expo. I want to put out some thank you's to everybody. The Seventh Annual Bike Palo Alto on Sunday drew more than 800 people of all ages to explore one of three highlighted routes for getting around Palo Alto by bike without getting in their cars with an increase in participation of 14 percent over last year. This year, the Downtown/Menlo Park route was the favorite with 46 percent of riders heading to the Bike and Roll Expo at City Hall, while 34 percent chose the Monroe Park/Los Altos route, and 20 percent headed to the Baylands/Midtown route. More than 70 volunteers stepped forward to assist participants at El Carmelo School, where the event started, and at treat stops along each route. Our Staff estimates CO2 savings for the estimated average of five miles ridden per participant as 2.2 tons for the afternoon saved, and with the potential added savings from frequent rider cards, which were handed out to encourage folks to keep riding to community businesses, libraries and other destinations, the potential of lowering emissions by 8 1/2 tons of CO2 without adding demand for parking spaces at local destinations, to keep everybody riding. We had more than 200 people attend the expo on the Plaza to test out electric bikes, automated skateboards, scooters, cargo bikes and more low-carbon options. Our City's Transportation Division tested out parking protected bikeways along Bryant Street between University and Forest. One of the more popular stations involved tricking out your bike to look like a mobile piece of artwork. There were lots of bike riders and families, of course, who started the day at El Carmelo School and headed Downtown. A lot of thanks to our Transportation and Planning Staff, Community Services and Public Works employees, but a special thanks to community volunteers, Sandra Slater, Cathy Durham and Robin Dube [phonetic]. It was a great day, lots of fun. I hope the Mayor, who was helping spearhead the expo, was pleased with the outcome. I rode four different electric bikes myself. A new version of the revolution will not be televised, but e-bikes are here. Some of you might have heard some concerns about bike security at our Caltrain stations. I did want to share in response to hearing from Council Members that Caltrain is working on a system-wide bike parking management plan. The plan is

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funded through a Caltrans planning grant and is focused on identifying the kinds of bike parking that will best suit our Caltrain riders' needs. The study will be completed in the first quarter of 2017. Our Transportation Staff are serving on the technical advisory committee for the study. We intend to incorporate the recommendations into our City strategy to add secure bicycle parking throughout Palo Alto. In the meantime, our Staff will be looking for immediate opportunities to add secure bicycle parking throughout the City. At this time, people wanting tips on how to personally secure your bikes can go to the City's website to our Safe Routes to School page. We'll be moving a link up onto our homepage to address that. As a result of ongoing conflicts between some bicyclists and pedestrians along the Bol Park Path, our Transportation Staff will be meeting with a group of Barron Park residents and path users this Wednesday to begin development of a concept plan for safety improvements along the path. The group will also identify opportunities to immediately add new signing and striping along the path to improve safety and operations. I think the Council has heard a number of comments from folks in the community there. These types of path user conflicts are becoming more common in our country as more shared-use paths are constructed and more people begin to bike and walk. We will work with our community to identify good ideas from trails around the nation to develop both the immediate and long-term safety improvements along Bol Park. Speaking of Bol Park and Barron Park neighborhood but our City as a whole, I did want to share with anybody who has not heard it yet the sad news that our beloved Palo Alto donkey Miner Forty-Niner died at the age of 32 on Wednesday, September 28th, after having respiratory and other health problems. Miner's longtime companion, of course, Palo Alto Perry who gained fame by traveling around the City in another form, visiting one location after another, certainly still with us but has to be saddened by the loss of his companion. I would point out that Sue Dremann at *The Weekly* has written a really nice story about it. Folks may want to get online and take a look at that. Lastly, I just wanted to share an update on our golf course. Construction is in full swing, as you can see out here at the golf course. Our contractor has completed approximately two-thirds. Can we have sound, guys?

Mayor Burt: Is that a new golf cart?

Mr. Keene: Get the sound. Anyway, 200,000 cubic yards of soil from the large stockpile out onto the golf course. It's already been transformed from a nearly flat surface into a rolling terrain of mounds and valleys which will provide a far more interesting and challenging course for golfers. It will not look like this, folks, when it's done. Introduction of native plants in wetland areas will create enhanced habitat for local wildlife and will allow the golf course to blend more seamlessly into the surrounding Baylands. The rough

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grading work should be completed by mid-October, to be followed by fine grading, installation of underground utilities and irrigation, and planning for the opening of the new Baylands golf links in the fall of 2017. That's all I have to report.

Mayor Burt: Thank you.

[The Council returned to Item Number 3.]

Oral Communications

Mayor Burt: While the Clerk is tabulating those, we will begin Oral Communications. I have one speaker card. If anyone else wishes to speak on an item not otherwise on the agenda, please bring a card forward. Our speaker is David of Crescent Park. Welcome.

David of Crescent Park: Thank you. This is the first time I've done this, so forgive me if I make some mistakes. I'm David, and I live in Crescent Park. I just want to talk briefly about an issue that's come up on the neighborhood mailing list of Airbnbs of single-family homes. As background, we own and occupy our single-family home in Crescent Park. I know there's concern about this. In particular, there's talk on the neighborhood mailing list of 14 separate individuals renting beds on Airbnb of a three-bed house on Lincoln. There may be others speaking or planning to speak here tonight about this, which is why I wanted to talk as well. People are rightly concerned about parking and noise and unknown people in the neighborhood. I'd be concerned about these issues too; although, they don't directly affect us on Addison. I want to make sure if there's any action that we're thinking of taking that rightfully address the problems of overcrowding and parking, we don't accidentally also hurt Palo Alto families who are increasingly relying on Airbnb to get by. In our case, to supplement our family's income and to allow us to stay part of this community, we sometimes rent our home to a family and corporate groups on Airbnb, often when we're out of town or on vacation. We have a large, six-bed family house with a mortgage and property tax to match. The people we rent to (inaudible) are cohesive groups, family or corporate groups often with small kids coming for a short visit, who want to stay together in a large family-oriented home in a great residential neighborhood rather than in a more impersonal, small hotel room in a commercial district. Examples that we've rented to are families coming for Stanford graduation, wedding and sports events, Palo Alto residents coming and bringing extended family and friends for a celebration or vacation or, in one case, a funeral, a family group coming with someone attending a conference or volunteering or training at Stanford, classmates coming in for reunions. Also local companies bringing in employees from

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other offices for bonding and training. On parking, most of our groups have one or two rental cars, so they park in our driveway or directly in front of our house. Sometimes actually they have no cars at all and just rely on Uber or walking. On noise, our groups really are not much different to our noise. If anything, they're quieter than our kids. On unknown people, these are cohesive groups traveling together, not a bunch of individuals living in—obviously we screen them very carefully because they're living in our home. We have probably the greatest interest in making sure that we know who they are and that we check them out. We take about less than half of anyone who even requests. Obviously finally, we're very respectful of our neighbors. So far there haven't been any issues. On the concerns, if you hear about this, the Lincoln house, it seems to me the issue is not Airbnb or short-term rentals per se. It seems it's more about overcrowding and parking. I don't think it's a short-term rental issue. The owner of this Lincoln house has raised the minimum rental to 30 days, and that's actually avoiding the 14 percent transient occupancy tax that the City would otherwise collect. That doesn't seem to be solving the problems. I don't think it's a total number of people issue either. I think it depends on the size of the house. I think the issue is we've got four or five people staying in each room of a three-bedroom house, and each having their own car. That is (inaudible) of an issue. I don't think it's really an unknown people issue either. Palo Alto's an international and a college town that is full of people who have come here from somewhere else to live and work. In summary, if I think there's going to be any regulation, as the Council looks at this, you should focus on parking and overcrowding but not on short-term rentals or large groups per se. Thank you. That's it.

Mayor Burt: Thank you. Our next speaker is Azadeh. Welcome.

Azadeh: Good evening, Council Members. My name is Azadeh Malek, and I live next door to Gordon Stewart, the owner of 1245 Lincoln Avenue. Up until today, Gordon left all of us with the impression that he was going forward with his plan of renting his three-bedroom house to 14 separate individuals. Today for the first time, he has reached out to some members of our community and expressed remorse. In fact, he's here today to speak. None of this would have happened if we did not have a forum for the community to voice their concern and was it not for the great community that we have. It shows how strong we can all be if we have the backing of one another. This is what neighborhoods and communities should all be about. Having said that, the problem we have with greedy actors seeking to take advantage of Airbnb is not over. We're facing predators looking for single-family homeowners in our desirable neighborhoods and homeowners who are willing to let them do so. As one (inaudible) said, "Our social fabric is best preserved if we enforce our municipal codes that embody the

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expectations of the residents. To allow one person to escape obligations under our municipal Ordinance upsets the expectation of all other parties governed by that instrument." The homes in question are in R-1 single-family residential zoning. Currently we define family as follows: an individual or group of persons living together who constitute a bona fide single housekeeping unit in a dwelling unit. Anyone of common intelligence knows that finding 14 people on Airbnb, each at different times and at different terms, who come to a three-bedroom, two-bathroom house to simply rent a place to sleep, who are not a static group of persons but rather an ever-changing array of individuals, who may not even know each other by name cannot be possibly be made to constitute a bona fide single housekeeping unit. If we allow people like this, who are not even members of our community, to seek membership into our community by serial renting of rooms and set up four to six beds in each room, we're setting ourselves up for the destruction of single-family character of our neighborhoods. We request that the City of Palo Alto either prevent the commercializing of single-family homes by enforcing its current Ordinances in place or, if the current Ordinances are inadequate, we ask that the City take steps and make the changes necessary to deal with this abusive behavior currently present throughout our community. Thank you.

Mayor Burt: Thank you. Our next speaker is Faramarz. Welcome.

Faramarz: Good evening. Dear Council Members, my name is Faramarz Bahmani, and I live next door to 1245 Lincoln. Purchasing a house in Palo Alto was for long a distant dream for my wife and I, but we work hard to make it happen, because we wanted the best for our future children, the best School District, and the best neighbors in one of the best cities in the world. Since we moved here four years ago, we have enjoyed living side-by-side our neighbors and enjoyed every minute of it. We bonded with every family that came and lived next door so much that when the lease was up and they had to leave, it was difficult for us and for our now 3-year-old daughter to realize that it was time to say goodbye. In fact, we are still friends with all the previous tenants Gordon leased his house to since we moved in next door. Bonds like that form because the families were there for at least a year-long term. We felt safe letting our daughter play with their kids and yell out from our backyard into their backyard asking their kids to come over and play. Our sense of stability, however, shattered when we realized that 14 others were going to live in a three-bedroom house next to us. A group subject to constant change, 14 adults every month, potentially 168 different individuals in a year living right across the fence from us. We are supposed to be able to enjoy the peace and the quiet of our house, but how can we when we can no longer even let our daughter play outside, knowing that she'll be exposed to all those individuals who

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don't even know each other. What was even more shocking is that the house would be a commercial venture. Nathan and his team would make at least \$1,000 a month from each tenant, that is at least \$14,000 a month from a three-bedroom house. Even in the great neighborhood we live in, everybody knows \$14,000 is an outrageous amount of rent to pay for a three-bedroom. Over time, this pattern of commercializing homes will prevent future families from being able to afford renting and living in our great City. I ask the City to look into these matters, enhance the enforcement tools and stop the abusive practices exhibited on Airbnb that lead to the detrimental effects on our communities. Thank you so much.

Mayor Burt: Thank you. We won't be accepting any more speaker cards on Oral Communications. We have four more cards. Let's take a moment.

[The Council returned to Item Number 3.]

Mayor Burt: Our next speaker is George Billman. Welcome.

George Billman: Thank you, and I appreciate the opportunity to address the Council. I'm also a resident of Palo Alto for over 20 years. We've enjoyed living in Crescent Park. I live at the corner of University and Lincoln and immediate next door neighbor to Gordon's house. We share a long, common fence. The fence is less than chin high or about, affording a view into our yard and their yard. If I stand at my barbecue, I can listen to conversations. They can listen to my family's conversations. When you're with a neighbor of longstanding that you know well and that you have a bond with, that doesn't bother you. Imagine the difference now I'm facing where 14 people continually changing are right over the fence, looking into my yard, seeing my three daughters, seeing the possessions in our house, because I have lots of windows. I'm standing at my barbecue; I'm having business conversations; I don't know who's over the fence, because it's changing all the time. I don't know anything about their background. I feel this scheme would damage my privacy and my calm that I think is my right to enjoy. I don't think that it is something that comports with the idea of a single-family neighborhood. Crescent Park has its Addison School district. It's very strong. We've really enjoyed the strong community in that neighborhood that forms the foundation of the grammar schools up into Jordan and Paly. Those schools are based on long-term resident families that join the Parent Teacher Association (PTA), that contribute to the bake sales and to the educational fundraising, that participate in City Council. I think it's very unlikely that 14 people that turnover on a monthly basis are going to add that sort of feel and support to the community. I think we really need to consider the long-term effects. As it was earlier portrayed, someone that can spin \$14,000 a month from a house like this, they're

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going to have the cash flow to go find other houses. Do we want to see our neighborhoods progressively strip-mined for profit, driving out families that can no longer afford to live there or do we want to preserve our community, insist on bona fide single-family residents that become part of the community and support the community and preserve the privacy and comfort of their neighbors? I think this is reaching a point where I could understand the other gentleman's defense of occasional Airbnb, but when you industrialize this to a scale of 14 people, four to six per bedroom, it's an entirely different character. I urge the Council to consider constraining this sort of opportunism. Thank you.

Mayor Burt: Thank you. Our next speaker is George.

Joerg: Thank you. Good evening. My name's Joerg Rathenberg. I live in Lincoln Avenue, right across from the house we're talking about. Everybody here has spoken so eloquently already. I don't have any prepared remarks, but I want to kind of say that about seven years ago, my wife and I packed our bags in San Francisco where we lived in a very nice neighborhood. We moved here to Palo Alto to seek exactly what George had just talked about, this kind of close neighborhood environment where people are friendly with each other, where the kids can play out in the street, where it's safe and where it's nice. Now seven years later, actually we kind of see—it is a difficult time. You can see lots of different people buying houses for profit, quite frankly, just trying to get their foot into the market. You can see a lot of people turning over and so on. Coming here, we've experienced this close-knit community. We've experienced the schools that we have looked for, and we were very happy with that. What I find dangerous is if we use a residential neighborhood for commercial gain, and we kind of start building hotels, because that's what it really is. If we start building hotels in the residential neighborhoods, I don't think it's good. Today we're already fighting with the parking problem. It used to be very quiet, seven years ago. Suddenly we've got cars stacked up all over our street. There are a lot of things that we can complain about and we can do something about and so on. I think we really have to look at the causes, why is that happening. In a residential neighborhood, we want to have residential families. That's why we left our home and moved here, to experience that. I would also ask the Council to please consider that in their proceedings. I also want to point out we're, so to speak, the tip of the iceberg. We're limited right now in saying more, but there are a lot more people who have similar ideas about this than we do. Thank you.

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

[The Council returned to Item Number 3.]

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

Male: (inaudible)

Mayor Burt: Pardon me? I'm sorry. Our final speaker on Oral Communications is Gordon Stewart. Welcome.

Gordon Stewart: Thanks for having me here. I am the owner of 1245 Lincoln. Much has been said on Crescent Park Neighborhood Association (CPNA) as well as the *Daily Post*. People think they know me, but a lot has been said that really is not true. I'd like to correct some of that, get the chance here to do that. Many of my neighbors here are behind me, which is kind of odd having my back to them. I grew up in the City, went to junior high and high school here. My mother and I moved here in 1965, and I've been the one maintaining this house since the age of 15. I care about this house. I care about the neighborhood. I care about Crescent Park and Palo Alto. This is truly my home here. I'd do nothing to destroy the house, the neighborhood, etc. I do rent it out. I am retired. I no longer have a Silicon Valley-type salary. This is part of what we live on. It's very important for me to do this. What ended up happening was somehow there was a downturn in the number of people interested in renting. I think my lease kept shifting later and later in the year, and I hit this kind of pit here. I said, "Are there other options?" I tried this. I thought everything was legal. I truly did. I have no intention of breaking any City Ordinance. It was not my intention, still isn't. At this point, I do have a lease. I'm actually trying to get out of it. I always prefer to have a single family there. This did not appear to be possible. A number of neighbors have offered to help me find somebody. I've just decided with all the turmoil that has been created around this, I'd rather have me not be a part of it. I'm trying to work my way out of it. Bottom line is I'm in a situation; I'm trying to get out of that. I'm trying to find somebody new. All of you and everyone behind me, I'm putting it out there. I do need a family to rent from. Anybody has leads, I'll be around this evening. It's very important to me. Thanks for listening.

Mayor Burt: Thank you.

Minutes Approval

4. Approval of Action Minutes for the September 19, 2016 Council Meeting.

Mayor Burt: Our next item is Approval of Minutes. We have Minutes from the meeting of September 19th, 2016. Is there a Motion to approve?

Council Member DuBois: So moved.

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MOTION: Council Member DuBois moved, seconded by Council Member Schmid to approve the Action Minutes for the September 19, 2016 Council Meeting.

Mayor Burt: Motion by Council Member DuBois, second by Council Member Schmid. Please vote on the board. That passes 9-0.

MOTION PASSED: 9-0

Consent Calendar

Mayor Burt: We now move onto the Consent Calendar. We have one speaker on Item Number 7, Herb Borock. Welcome.

Herb Borock, speaking regarding Agenda Item Number 7: Thank you, Mayor Burt. This is the item for a contract with the Mott McDonald Group, formerly Hatch Mott McDonald, for rail management program services. I believe this is the wrong contractor to receive a contract from the City for rail matters. I think it's the wrong agency, that is Palo Alto, to be paying for some of the services indicated here on grade separations. I think it's the wrong time to be doing it. Hatch Mott McDonald is one of the funders as a contributor to Proposition 1A that established the High Speed Rail Authority and its current program that the City opposes. In exchange for its donation, it became one of the contractors for High Speed Rail and received contracts many times over the amount that it contributed to the campaign. Although, under the conflict of interest laws, if it waits a period of time, it's not technically in violation of that law, but practically anyone who's been in the position as they have of essentially being an agent of the High Speed Rail Authority can suddenly change what it is doing. In effect, on such things as environmental review, it already starts with a bias, and it's the wrong bias. It can't be objective in working for the City of Palo Alto. Palo Alto is also the wrong agency to be funding these things. It should be the agencies or the sponsors of the project, the Caltrain and the High Speed Rail Authority. Since the High Speed Rail Authority Environmental Impact Report (EIR) process is still ongoing, bringing up the grade separations as a mitigation is appropriate. It's only after that that we determine who would be funding it. Also to the extent that grade separations increases the ability to increase more office development in Palo Alto, it should be those who benefit from that development that should be paying for it. Finally, it's the wrong time. That is, we are about to adopt a Comprehensive Plan next year, and that requires an integrated set of policies and programs on all the Elements of the Plan including the transportation as it relates to development. Until we have an internally consistent set of Elements for a Comprehensive Plan, only

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then can we decide what kind of programs we want for grade separations and how they would be funded. Thank you.

Mayor Burt: Thank you. Council Member Holman.

Council Member Holman: I'd move to pull Item Number 9.

Mayor Burt: I support that.

Council Member Filseth: Me too.

MOTION: Council Member Holman moved, seconded by Mayor Burt, third by Council Member Filseth to pull Agenda Item Number 9 - Adoption of a Resolution Amending and Restating the Administrative Penalty Schedule and Civil Penalty Schedules ... to be heard as Agenda Item Number 9b tonight and be continued to November 7, 2016 for full discussion.

Mayor Burt: And Council Member Filseth. We have three members who are moving to have Item 9 pulled. Item 9 will be pulled. In anticipation of this potential, we had looked at upcoming agendas. We can have a brief agendaizing of this item for tonight. If we have the concurrence of the Council, the purpose of that would be merely to allow Council Members to identify for the Staff any areas that they'd like to have Staff be prepared to discuss in greater depth when it returns for a full agenda item. Mr. City Manager, was November 7th the first available date?

James Keene, City Manager: That's correct, Mr. Mayor, November 7th.

Mayor Burt: That would be the date that we'd have the full discussion on that item. Does that seem acceptable? On that note, we can vote on Consent Calendar Items 5, 6, 7, 8 and 9A.

Council Member Holman: For anybody listening, I just wanted to make note. I guess we'll get to this later, but I know there was an email to Council earlier in the week or last week about things that would be included that Staff has identified. Will those be discussed later as well?

Mayor Burt: Let's address that at the time we discuss this Item 9.

Council Member Holman: That's fine. I just wanted to make sure they weren't lost. Thank you.

Mayor Burt: Please vote on the board.

Council Member Kniss: (inaudible) need a Motion.

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Mayor Burt: I'm sorry. We do. We need a Motion for Items 5, 6, 7, 8 and 9A.

Council Member Berman: Second.

Mayor Burt: Who was first?

Council Member Berman: Liz.

MOTION: Council Member Kniss moved, seconded by Council Member Berman to approve Agenda Item Numbers 5-8, 9a.

5. Resolution 9627 Entitled, "Resolution of the Council of the City of Palo Alto Authorizing the City Manager or his Designee to Approve a Base Contract for Sale and Purchase of Natural Gas With Sequent Energy Management, LP, and to Purchase a Portion of the City's Natural Gas Requirements Under Specified Terms and Conditions During Calendar Years 2016 Through 2022."
6. Resolution 9628 Entitled, "Resolution of the Council of the City of Palo Alto Approving the Standard Form Natural Gas Purchase and Sales Agreement With Special Terms and Conditions ("Standard Form Master Agreement")."
7. Approval of a two Year Professional Services Contract Number C16163563 With Mott MacDonald Group for Rail Program Management Services to Allow for Multiple Specific Task Orders With a Total Not-to-Exceed Amount of \$1,614,763.
8. Approve and Authorize the City Manager to Execute Contract Number C17165053 With Salas O'Brien, in an Amount Not-to-Exceed \$217,800 for Design Services for the Municipal Service Center Mechanical, Electrical, and Lighting Improvements, and Zero Waste Office Renovation Capital Improvements Program Project PF-16006.
9. ~~Adoption of a Resolution Amending and Restating the Administrative Penalty Schedule and Civil Penalty Schedules for Certain Violations of the Palo Alto Municipal Code and the California Vehicle Code Established by Resolution Number 9554.~~
- 9a. Appointment of Utilities General Manager (Director of Utilities)/Assistant City Manager, Approval of Amendment to Employment Agreement and Approval of Recommended Staffing Reorganization in the City Manager's Office and the Utilities Department.

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Mayor Burt: Motion by Council Member Kniss, second by Council Member Berman. Please vote. That passes unanimously.

MOTION FOR AGENDA ITEM NUMBERS 5-8, 9a PASSED: 9-0

9b. (Former Agenda Item Number 9) Adoption of a Resolution Amending and Restating the Administrative Penalty Schedule and Civil Penalty Schedules for Certain Violations of the Palo Alto Municipal Code and the California Vehicle Code Established by Resolution Number 9554.

Mayor Burt: Now we will move to rescheduled Item Number 9. This item is titled adoption of a Resolution amending and restating the Administrative Penalty Schedule and Civil Penalty Schedule for certain violations of the Palo Alto Municipal Code and the California Vehicle Code established by Resolution Number 9554. City Attorney Stump.

Molly Stump, City Attorney: Thank you. Just briefly, this item is generated on an annual basis. It's really an administrative update. This year the Staff identified two areas where they would like to add an administrative penalty. Those are both described in your Staff Report with respect to Transportation Demand Management (TDM) programs and violations of PC Ordinances. In the time since the item was drafted, we've had further conversations as a Staff and would like to refine one or both of those. Even as recently as today, there were some additional, very minor administrative cleanup items that did surface amongst our Staff. We will be bringing forward some refinements with respect to those two. We understand that the Council Members very well may wish to give us some direction on those items or other items that you would like us to address when the item returns on November 7th.

James Keene, City Manager: Mr. Mayor?

Mayor Burt: Mr. Keene.

Mr. Keene: I would just add I think following on your lead here, this isn't really meant to be a deep dive and an exhaustive discussion. It's just to identify some of the issues and get some general direction.

Mayor Burt: Thank you. Because we're going to have this abbreviated, we can have questions and comments together. If any members of the public wish to submit a speaker card, please do so at this time. Who would like to go first? Council Member Holman, were you trying to hit your light? It didn't flash for me, but go right ahead.

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Council Member Holman: Sorry. I'll be quick as a flash. Appreciate the comments made by City Attorney Stump. It doesn't give the public a description of what the things are that will be coming back that Staff has identified. I just wondered if that might be a prudent thing to do.

Ms. Stump: Just to preview then what you'll see from us on the Planned Community (PC) Ordinance of violation amount. Our thoughts were to provide that an opportunity to cure period would be discretionary for Staff to allow that in a case where coming into compliance requires actions of a third party and sometimes needed reasonably to do that. To allow the Staff to impose a penalty more quickly than that in cases where the owner has the ability to cure the violation right away. We also wanted to make clear that there would be a graduated penalty amount that would increase if there was not compliance after a period of time. We also wanted to elicit from Council, not a specific recommendation from Staff on this, whether the proposed fine amount—in the current Staff Report it's noted to increase, to double to \$2,000—is in fact the right fine amount from the Council's perspective.

Council Member Holman: Thank you for that. If I might add to that—Mr. Mayor, I don't know if you're looking for motions or if you're just looking for Council Members to put out to Staff what they want to have come back.

Mayor Burt: No motions tonight. I think what we can do is individual Council Members can make their comments. Others can simply concur or speak. I think the most efficient thing would be an appreciating Council Member has raised an issue, then we can simply say, "I also would like to discuss that." Frankly, this is just a heads-up to Staff. Even if it's just an individual Council Member, at the subsequent November 7th hearing we'll have the prerogative to raise those issues either way. Whatever we bring up tonight, Staff is not limited—our discussion on November 7th is not limited to the items that we bring up or have more than one Council Member discuss. It's just to give the Staff a sense of the things we want to know more about or discuss.

Council Member Holman: With that, I will go through these quickly. I would like also addressed when the Staff comes back what about repeat offenses. In other words, if something's cured, and then two weeks later it goes out of compliance again. Repeat offenses. Also because of the length of time the situation, the noncompliance has endured, can—I'm not supposing one way or other—Edgewood Plaza grocery be dealt with separately from the other PC regulations? Just a question I have. Also 16.49.080 and 090 have to do with maintenance of Downtown historic structure and demolition of Downtown historic structure. The lack of maintenance, the penalty for not maintaining is all of \$500. The demolition of a Downtown historic structure

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is \$1,000. It's hardly consistent with what today's dollar values are. The other thing I note is that only is for Downtown historic structures and not other places in the City. It seems like we ought to be mindful of our CLG status and responsibilities. The other thing I would bring up, just quickly, are 8.04.020. Some of these are not exactly clear what they're intended to be. Maybe what could come back is also a clarification of what the intention is. 8.04.080, 010, 050 and 070, those all have to do with tree care. These are now called permit-required tree work, interference with tree enforcement, protected trees, care of protected trees. I'm presuming 050, when it says protected trees, does that mean to remove a protected tree without a permit, that penalty is \$500. Again, not consistent with today's dollar values. I'm sure Staff can come back with what would be a reasonable way to evaluate those reasonable penalties whether it's an inch of diameter, a dollar amount per foot or life of a tree and how long it takes to get to be the size, whatever's commensurate with what some other communities do. Those are my comments.

Mayor Burt: Council Member Schmid.

Council Member Schmid: I just wanted to say that the two that are identified are the PC and the Transportation Demand Management. I would emphasize the second one as much as the first. They are both extremely important for the long run and need addressing, clarity.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: Just briefly. I think there may be things on here that we no longer need, like no trespassing in the City landfill. We don't have a City landfill anymore. I was just thinking if there was stuff that could be cleaned up while we do it, it'd be a good opportunity. There's a couple of things I actually have no idea what they are. If someone wants to just briefly look through this and see if there are things we don't need any more. Thanks.

Mayor Burt: Council Member DuBois.

Council Member DuBois: I concur with everybody, particularly the cleanup. It might be worth touching on the taxi items versus Uber. I'd be interested to know. We have several taxi fees.

Mayor Burt: I see no more comments. If that's the case, we can continue this item to a date certain of November 7th. Thank you all.

NO ACTION TAKEN

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Action Items

10. PUBLIC HEARING: Adoption of Nine Ordinances to Adopt 2016 California Building Codes, Local Amendments, and Related Updates: (1) Repealing Chapter 16.04 of the Palo Alto Municipal Code and Amending Title 16 to Adopt a new Chapter 16.04, California Building Code, California Historical Building Code, and California Existing Building Code, 2016 Editions, and Local Amendments and Related Findings; (2) Repealing Chapter 16.05 of the Palo Alto Municipal Code and Amending Title 16 to Adopt a new Chapter 16.05, California Mechanical Code, 2016 Edition, and Local Amendments and Related Findings; (3) Repealing Chapter 16.06 of the Palo Alto Municipal Code and Amending Title 16 to Adopt a new Chapter 16.06, California Residential Code, 2016 Edition, and Local Amendments and Related Findings; (4) Repealing Chapter 16.08 of the Palo Alto Municipal Code and Amending Title 16 to Adopt a new Chapter 16.08, California Plumbing Code, 2016 Edition, and Local Amendments and Related Findings; (5) Repealing Chapter 16.14 of the Palo Alto Municipal Code and Amending Title 16 to Adopt a new Chapter 16.14, California Green Building Standards Code, 2016 Edition, and Local Amendments and Related Findings; (6) Repealing Chapter 16.16 of the Palo Alto Municipal Code and Amending Title 16 to Adopt a new Chapter 16.16, California Electrical Code, 2016 Edition, and Local Amendments and Related Findings; (7) Repealing Chapter 15.04 of the Palo Alto Municipal Code and Amending Title 15 to Adopt a new Chapter 15.04, California Fire Code, 2016 Edition, and Local Amendments and Related Findings; and (8) Adopt a new Title 16, Chapter 16.18 Private Swimming Pool and Spa Code, 2016 Edition and Local Amendments and Related Findings; (9) Amending Title 16, Chapters 16.36 House Numbering and 16.40 Unsafe Buildings for Local Amendments and Related Findings. Adoption of Categorical Exemptions Under Sections 15305 and 15308 of the CEQA Guidelines.

Mayor Burt: Our next item is a Public Hearing regarding the adoption of nine Ordinances, which are the City's adoption of the California Building Code updates, local amendments and other related updates. I'm not going to read off the long list of all the chapters. They're printed in our Agenda, and they're available at the back of the room. Welcome, Director Pirnejad. Take over.

Peter Pirnejad, Development Services Director: Thank you, Mayor and Honorable Council. It's a pleasure to be here tonight with you. Again, Peter Pirnejad, Development Services Director, here with the Development Services Department, a large subsection of which I'll introduce. The item

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before you tonight is our State-mandated Building Codes. Every three years, if you remember, it seems like a blink of the eye I was here three years ago doing this exact same thing. The Building Codes is a compilation of many different sections of Title 24. As many cities do, we make local amendments to those Codes to reflect the character and the different nuances of the City of Palo Alto that we've carried on from year to year as well as learning from different construction, other mishaps that other cities have had and absorbing them into the local amendments. What you have is just about a year's worth of work on our end to compile notes and learnings from various sections of the Code and disciplines and consolidating them into one Staff Report that's before you to go over all the local amendments. What I've compiled today is a very quick overview. I'm leaning heavily on the fact that all the materials are in the Staff Report. What I have asked my Staff to do is compile a list of the most pertinent sections of the Code that we think might be of interest. We will go over them briefly. If you have any questions, we have slides that are embedded in this longer Power Point presentation, which we're prepared to get into if need be. The PowerPoint is generally an overview of the sections that we feel are of the most interest. If I may introduce my Staff that's here to support the various sections of the Code. To my right is George Hoyt, our Chief Building Official. In the crowd behind me is Evon Ballash, our Assistant Chief Building Official. Melanie Jacobson, our Green Building Coordinator Contractor. James Hendrickson was supposed to be here today, but he had a family emergency. In his place, Geo Blackshire and Karl Schneider are here to discuss the Fire Code. With that, if I may start again. The recommended Motion is here before you. I believe the City Attorney would recommend that you only read the first two lines. I don't ask that you read the entire dissertation. If you're looking for a dissertation, I've got a great one for you. With that, the local Code and local amendments is a State-mandated requirement every 3 years. The 2016 California Building Standards Code is before you with the local amendments. We're required by State law to adopt it within 180 days from July 1st. At best, we're hoping to adopt the Codes at their bare basic, but we would really hope that you would adopt them with the local amendments. With that, I'm going to pass the mike onto Evon Ballash, our Assistant Chief Building Official, to discuss the first section of which we have four to discuss. We'll be very brief and ready to answer questions. With that, Ms. Ballash.

Evon Ballash, Assistant Chief Building Official: Thank you, Peter. Good evening, Council Members. I'm here tonight to give you a brief highlight of some of the important changes to the California Building Code. The first two items that are on the list address the Berkeley balcony collapse. What we recommend is providing ventilation underneath the exterior balconies to allow moisture to escape to prevent dry rot damage of the framing members. Also, we are requesting to require access panels to allow for

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periodic inspection and also to facilitate future maintenance of any damages to the balcony. The second item is actually a redundancy to the first item. We're requiring pressure-treated lumber or still framing members to the exterior balconies, also again to prevent any dry rot damage to balconies. The third item is we are decreasing the threshold for fire sprinklers required for new construction down to 350 square feet from 1,000 square feet for accessory structures and for new residential construction. The next item is we're requiring preliminary accessibility inspections of existing buildings that require commercial permits before they're issued. We already have this program implemented with the Building Division. What we have found is that this program really helps alleviate disabled access problems—problems with compliance in the field. The last item we have that we're highlighting is basement window wells. When basement window wells are deeper than 30 inches, they require a guardrail for fall prevention. The current Ordinance requires gates at the top of the guardrail where the access ladder comes. What we have found is that this is a very cumbersome configuration where you climb up the gate and then you have to reach over and open the latch to open the gate. During an emergency situation, we don't think that this is a very good construction assembly. We're now requiring that the ladder goes up to the top of the guardrail and you climb over. Also, previously we disallowed window well grates. Now we're going to allow them again in our changes.

Mr. Pirnejad: Thank you very much. Now we move on to the Green Building Code and some of the amendments that we're proposing there. Here to speak on that item is Melanie Jacobson. Melanie, please.

Melanie Jacobson, Green Building Coordinator: Thank you. Honorable Council Members, thank you for the opportunity to speak to you tonight. If you recall last year, we brought forth before you the Green Building Ordinance, which was a mid-Code cycle update. Those recommendations came before you in collaboration with the Green Building Advisory Group. Much of the Ordinance that was brought before you last year has remained intact. Many of the updates are clarifications and other recommendations by the Green Building Advisory Group that I'll go through now, that are on the slide. One amendment that is proposed in the Ordinance is the inclusion of a deconstruction survey for all residential demolition permits. When a residential project comes to the Development Center to obtain a demolition permit, they'll be required to complete a deconstruction survey, which essentially is a survey of the existing conditions that's performed by a third party. That third party identifies the items that can be reused and resold through a third-party vendor. At that point, the applicant can give those materials to that third party, and then those get put onto this market. The next item is the laundry to landscape infrastructure piping. That's a

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clarification from the previous version of the Ordinance. Basically it just clarifies the piping requirements associated with the laundry to landscape ready requirement that we instituted in the last version of the Ordinance. The third item is the recycling of construction waste. We're clarifying the percentage from 75 percent to 80 percent. In the area of gray water, the fixtures have been clarified in terms of what's allowed and what's not allowed in terms of clarifying gray water. In addition to water efficiency, there will be an enhanced water budget required for commercial buildings, and that will be modeled after the San Francisco water budget. Thank you.

Mr. Pirnejad: That concludes our Green Building, just some of the highlights. Next, we're going to go onto the Fire Code. Geo Blackshire along with Karl Schneider will walk you through those two amendments.

Geo Blackshire, Deputy Fire Chief: Good evening. As you were told, Fire Marshal James Hendrickson was unable to be here tonight. He apologizes; however, he was kind enough to prepare a statement for me to read regarding the 2016 Code adoption cycle. Esteemed Council Members, the local amendments, which we recommend for your consideration and adoption tonight, are the product of four months of review of the 2016 California Fire Code by the Santa Clara County Fire Marshal group with assistance from the County Hazardous Material Manager group. These groups worked diligently to refine the language of past Ordinances in an effort to develop regional standards. We hope that this regionalization of expectations will help to streamline plan review and overall development process for builders working between various jurisdictions within Santa Clara County. I would also like to point out that the reduction of fire-related loss and death will continue to be at the forefront of our Code-related efforts. I'd like to mention that we lead the State and the nation with our cutting-edge smoke detector and sprinkler Ordinances.

Mr. Pirnejad: Finally, I want to turn it over to Mr. Hoyt, our Chief Building Official, to go through our changes to the Plumbing Code.

George Hoyt, Chief Building Official: Good evening, Council. I want to go over one small change that we have. We have a plumbing amendment that is going to require backwater valves be installed in the sewer lateral of all new residential and commercial construction projects. This will allow us to protect these facilities from accidental backflow from the wastewater system. This was a collaborative effort that was taken and undergone with Utilities and Development Services to provide this level of protection to these buildings. With that, we'll move to the next slide that recaps all the Municipal Code Ordinance numbers and their associated Building Code

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references that we will be modifying in these Ordinances before you. As a conclusion, we have the recommended Motion before you. Thank you.

Mr. Pirnejad: Thank you, George. With that, just to recap. This has been a collaborative effort. We continue to work with the group of architects, engineers, stakeholders that we have been talking to over the past several years, that are a sounding board of sorts to ensure that they understand what is coming down the pike and to get feedback in terms of build-ability, constructability. All of this has been vetted well in advance. We've received that feedback. The Development Committee Advisory Group (DCAG) has been very supportive in this effort. We've also, as Melanie Jacobson mentioned, reached out to our Green Building Advisory Group, an even more niche group of folks that really understand energy efficiency, green building, etc., when we talked about some of the improvements that were proposed in terms of our Green Building updates. With that, we are all here and welcome any questions. With that, we'll turn it back to the Council. Thank you for your time.

Mayor Burt: Thank you. We have no speaker cards. Actually, I should have said I want to open the Public Hearing. We do not have speaker cards, so I will close the Public Hearing. Now that we've done that proper formality, I want to return to the Council for a Motion or any discussion. Vice Mayor Scharff.

Public Hearing opened and closed without public comment at 8:13 P.M.

Vice Mayor Scharff: I'll move the Staff-recommended Motion.

Council Member Wolbach: Second.

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

- A. Adopt nine Ordinances, amending Title 16 of the Palo Alto Municipal Code:
 - i. Seven of the Ordinances adopt by reference and make local amendment to the various parts of the 2016 California Building Standards Code (CBSC), Title 24 of the California Code of Regulations, along with the necessary findings of fact supporting each local amendment; and
 - ii. An Ordinance adopting a new Chapter 16.18 Private Swimming Pool and Spa Code, 2016 Edition and Local Amendments; and

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- iii. An Ordinance making minor amendments to Chapter 16.36 (House Numbering) and Chapter 16.40 (Unsafe Buildings) to conform with state law; and
- B. Adopt categorical exemptions under sections 15305 and 15308 of the California Environmental Quality Act Guidelines.

Mayor Burt: That's the Motion as on our screens by Vice Mayor Scharff, seconded by Council Member Wolbach. Would you like to speak to your Motion?

Vice Mayor Scharff: Just briefly. I wanted to thank Staff for all the effort this took and the hard work. I know this is sort of a short item, and I appreciate the highlights to everything you did. It gives me a sense without having to read all the Code. Thanks again for all your hard work.

Mayor Burt: Council Member Wolbach. Council Member Schmid.

Council Member Schmid: As a member of the Finance Committee, I ought to ask the question. Everything that you've laid out makes sense, looks good, improvements. What kind of costs are we talking about adding on to new construction? I raise this issue because affordable housing is a critical piece of our looking forward at our Comp Plan.

Mr. Pirnejad: When we discussed these amongst Staff and with the DCAG, we brought up specifically the issue of cost. Staff determined along with input from our stakeholders that the cost was de minimis. These were improvements that would add value to the construction projects. We talked to Palo Alto Housing Corp. as well. We have a member from their group on our DCAG. They also confirmed that the issues that we're talking about are in the best interests of the construction and the life of the construction and improving their investment. The most costly would be the fire sprinklers, but again it's one of those issues that adds value to the construction, reduces insurance costs.

Council Member Schmid: There was no notion of adding one percent, two percent to the cost of the new home?

Mr. Pirnejad: We didn't go through an in-depth cost evaluation or Return on Investment (ROI) study. We did go through an overview of the measures and determined that they were de minimis enough not to have to go through that rigorous review.

Mayor Burt: Council Member DuBois.

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Council Member DuBois: I had a question on the swimming pool and spa. Do people need a permit today to install a spa?

Mr. Pirnejad: They do. I'll let our Chief Building Official address that.

Mr. Hoyt: We don't require a permit to install a portable spa at this time. We do require an electrical permit. We do require a permit for a pool.

Council Member DuBois: I noticed this was an International Code. I'm just curious if you could give a little background. Is there no California Code? Can you give us maybe a sense of what we're adopting with the International Code?

Mr. Hoyt: In the adoption of the California Building Code, the old version, the 2013 version included the swimming pool requirements. They have taken them out and recommended the adoption of the International Pool Code in the Building Standards Commission.

Council Member DuBois: Thank you.

Mayor Burt: I see no more lights. Please vote on the board. Council Member Holman, your light must be out of order tonight. Just be waving your hand when you want to speak.

Council Member Holman: On Slide Number 7, it says backwater valves are required for all new construction. This includes single-family homes?

Mr. Hoyt: Yes.

Council Member Holman: Because I notice these and I notice the size of them and I notice the location of them, and I also know someone that, I think, Peter's familiar with probably, that just did a rehabilitation of a house after a fire and had to put one in. It's an historic home and happens to be on University Avenue. To do the rehab, he had to put one in, in the front part of the house. They're big. Is there no flexibility in where they can be, what size they are, how they can be screened, contained, whatever to not be such glaring intrusions into a front landscape or whatever?

Mr. Hoyt: Ms. Holman, I believe we're talking about two separate valves. The one that you're referring to is a backwater valve, but it's required on the water service, located above grade. This is a valve that is in-ground, that protects the sewer line. It's actually installed in-ground, so it's not visible.

Council Member Holman: Different valves.

Mr. Hoyt: Yeah, a different valve.

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Council Member Holman: Peter, I'd look forward to some way to deal with the other situation at some point in time. Looking to you again, Peter. You know how much I really appreciate what's on—the easy way to find it is Slide 5, that first item there. You know how much I absolutely appreciate that. The deconstruction survey is required for a residential demolition permit. I so very much appreciate that. I have a couple of questions, if I could. Who has access to doing those surveys? Is there some kind of qualification for those entities?

Mr. Pirnejad: We've gone through an extensive process of background checking and talking to the industry professionals in this area. I'm going to pass this over to Melanie Jacobson to address. We were prepared for this question.

Council Member Holman: Thank you a lot.

Ms. Jacobson: To respond to your question, we reached out to the reuse people, which is the main vendor in the area, to vet the process. In terms of the third-party people that would be qualified, there would be a set of performance requirements that will be developed with the Green Building Advisory Group in collaboration with the reuse people. There is a whole separate process that the Internal Revenue Service (IRS) has actually identified related to the—there's a tax deduction associated with the deconstruction. That's a starting point. The industry is quite underdeveloped. The hope is that we can spur this as a local industry. We'll start with the—there's six organizations that do appraisals. That's all based on the IRS guidelines. We'll use that as the qualification for the third-party vendors and partner with organizations such as the reuse people to actually go out and do the site visit, where they go through and determine which items can be reused safely and which items need to be recycled and so forth.

Council Member Holman: You mentioned there are six organizations. The owner or contractor will have the opportunity or the City chooses which one of those six organizations does a particular building?

Ms. Jacobson: It's the third-party vendor, such as the reuse people, that decides which appraiser they use. The City will be able to provide a list of the third-party vendor that would go out and do the site assessment. The entity doing the site assessment would then go to the appraiser to do the next step, if they go for the donation and then the tax incentive.

Council Member Holman: Am I understanding this correctly that the Reuse Company is the one that will then identify the third party? What about other companies who do what Reuse does?

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Ms. Jacobson: There's only six organizations in the whole U.S. that do these appraisals. The Reuse Company would be one example of a company that could go out and do the site inspection. It needs to be verified by one of these appraisal companies.

Council Member Holman: I'm not quite getting it. There's ...

Mr. Pirnejad: (inaudible) jump in. There's two entities involved. First is the reuse people that actually—they are the ones that can facilitate taking the materials to where they would put them into a warehouse and have them resold. For the tax benefits, there's only a few certified people that can actually fill out the tax exempt forms that you would need to get the relief from the taxes, which is one of the reasons why people would do this reuse and this salvage process. We want to make sure the Council understands there's two entities involved. The market is really coming up to speed in this area. We're trying to spur it by providing the need to do these surveys.

Council Member Holman: I appreciate that. I think maybe one area where I wasn't getting either a clearer response or maybe putting my question out clearly is there is a company called Reuse. I thought that was what you were referring to, but perhaps not.

Mr. Pirnejad: That's correct.

Council Member Holman: Why is it only residential as opposed to commercial and residential?

Mr. Pirnejad: That's a great question. We have a response for you on that as well. Melanie.

Ms. Jacobson: The majority of demolition permits—the intent of the requirement was that since the amount of construction that occurs in Palo Alto is residential, that's a really good place to start, so that we could vet the process. From a reusability perspective, the residential market is a bigger market of items that can actually be reused compared to commercial construction. We wanted to understand the process, understand the stakeholders and the opportunities. Seeing how it works out, then we could roll it out into commercial construction, hoping that we're creating an industry.

Council Member Holman: Go ahead, Peter.

Mr. Pirnejad: I just wanted to add that because it's a brand new industry and we're trying to fan the flame on this, so to speak, I wanted to start somewhere that we could easily enforce it and we would know what to do.

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The loading order would be first make it legal, then promote it through these surveys, and then eventually try to mandate it at some level and then kind of build up from there. We give the construction community—telegraph our movements so they know this is coming. We've done the same thing with water conservation, energy efficiency, etc.

Council Member Holman: It's a really great start, and I very much appreciate it. When do you think you'll be able to come back with some kind of report on what the salvage diversion rate is as opposed to the recycling diversion rate?

Mr. Pirnejad: We have those reports available today. It is available on our Green Halo website. We will be tracking that, so it is being tracked today. We will continue to track it in the hopes that this will demonstrate a positive curve to improve the number of salvage projects.

Council Member Holman: Maybe in the next year or so you can come back with some kind of report?

Mr. Pirnejad: Yes, we will be reporting back.

Council Member Holman: Two last things. I so appreciate this, and you know I do. You know how much I appreciate this. At the same time, where would we account for the environmental impact, because this is the Green Building Standard Code? I know this is California, not Palo Alto. Where would Palo Alto account for the impact of the amount of demolition that we have? There is a standard that identifies that just for construction materials for a new project, commercial or residential, it's 75 pounds of CO2 created per square foot. That is a considerable environmental impact. Where would we account for that? That doesn't even include demolition and recycling or transport. That's also why this salvage issue and reuse issue is such an important one. Where would we account for that environmental impact?

Mr. Pirnejad: I'm going to have to put on my Planner hat and dig deep into my planning experience about California Environmental Quality Act (CEQA) and environmental law. I'm going to lean on Molly and Albert a little bit on this. Building permits are exempt from CEQA. They're a ministerial permit, and they don't trigger any kind of CEQA review. Therefore, this kind of—I hate to even use the word—this type of effect wouldn't necessarily trigger any kind of Environmental Impact Report or Negative Declaration. I want to pass it on to the CAO's office.

Council Member Holman: I'm not referring to CEQA right here. I'm just talking about where we would capture—because the demolition survey also

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isn't required by CEQA. I'm looking at where we would capture and where we would analyze what those impacts are.

Mr. Pirnejad: You're just talking about the numbers, the carbon.

Council Member Holman: Yes, yes. I'm talking about the environmental impact, not CEQA, just our own local impact due to demolition and new construction. I'm not judging what we're doing in terms of demolition or construction. I'm just saying we should be capturing, it seems to me, the information related to that so we know what we're doing as a community.

Mr. Pirnejad: We are capturing that information again on the Green Halo site. It's available. It's required that every deconstruction project fill out this deconstruction survey. We require that all of the contractors do deconstruction activity. We're revisiting and trying to improve that program. We'll be coming back with some amendments. It is being tracked, not only the tonnage but the carbon-related impacts associated with that waste. We're tracking that. If this starts to see a positive trend, we'll be sure to report out on the tonnage as well as the weight.

Council Member Holman: Not just the waste, but the new materials being created.

Mr. Pirnejad: The greenhouse gas emissions.

Council Member Holman: Will that be coming to Council in what, the next ...

Mr. Pirnejad: I can bring that back in an informational item over the next year, once we've been able to track some of the salvage material.

Ms. Jacobson: If I may add. In addition to what Peter said, we do track the—the information that's on the Green Halo site, we do a conversion to the greenhouse gas calculations that will come before you in the Earth Day report.

Council Member Holman: I think people might make different decisions or be more conscious or aware of what their projects entail if they just had it spelled out in front of them what the consequences are and what the impacts are. Thank you very much.

Mayor Burt: On that note, I think we're ready to vote on the board. That passes 9-0. Thank you to all the members of the Staff who came tonight and for all the hard work that went into this. I know it looks pretty technical, but there's a great deal of work, and our City Staff continues to put us on the cutting edge in these arenas.

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MOTION PASSED: 9-0

11. PUBLIC HEARING: Faircourt #3 and #4 Single Story Overlay (SSO) Rezoning: Request for a Zone Change of the Faircourt #3 and #4 Tracts #1921 and #1816 From R-1 Single Family Residential (8000) to R-1(8000)(S) Single Family Residential With Single Story Overlay (SSO); Environmental Assessment: Exempt From the California Environmental Quality Act per Section 15305; Planning and Transportation Commission Recommended Denial of the SSO Request.

Mayor Burt: We will now move on to Item Number 11, which is a Public Hearing on single-story overlay for Faircourt Number 3 and Number 4. This is a request for a zone change of those Faircourt 3 and 4 tracts from R-1 single-family residential to R-1 single-family residential with a single-story overlay. The environmental assessment is that it's exempt from CEQA. The Planning and Transportation Commission recommended denial of the Single Story Overlay (SSO) request. Mr. Lait, welcome.

Jonathan Lait, Planning and Community Environment Assistant Director: Thank you, Mayor Burt. Good evening, City Council. Amy French, our Chief Planning Official, will give the presentation tonight. I just wanted to take a second to thank and acknowledge Amy for her hard work on not only this, but there's been a lot of these SSO requests, and they do take a lot of time and care and feeding with the applicants and so forth.

Mayor Burt: I should have noted that at our places there was a stapled packet that is labeled Item Number 8, but it appears to be related to this Item Number 11. I just wanted to make sure everybody saw that. Ms. French, welcome.

Amy French, Chief Planning Official: Thank you, Mayor and Council Members. We're here tonight for the Faircourt single-story overlay request, which was initiated by property owners within this tract. The application for a single-story overlay requires a certain minimum threshold of support for a single-story overlay. In the case of a tract that has Conditions, Covenants and restrictions (CC&Rs) in place, there is a threshold of 60 percent owner support. The applicants met this at application. A single-story overlay prohibits new second stories and additions at the second-story level. The single-story overlay does not change the allowable square footage, so that you can have the same site coverage and floor area ratio. It's one and the same. A 44-home boundary has been proposed by the applicants. That revision to the original 50-home tract was submitted on April 29th. As of August 16th, there was a support level of 63 percent. There are nine existing single-story overlays in Palo Alto affecting 1,003 properties. All of

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these single-story overlay districts are post-War Eichler neighborhoods. There is an Eichler design guidelines effort under way. We are working to get a consultant contract in process. You will be seeing a consultant contract in the coming months. It'll be about a year-long process, and it may also result in alternatives to the single-story overlay. Here on the screen are the nine single-story overlay neighborhoods. There's been some opposition to single-story overlays. The last one that came to Council, Royal Manor, had some of these concerns. There's concern about property values and rights; concern about fairness because there are existing two-story homes in this neighborhood. There are four two-story homes in the neighborhood. In this case, the Planning and Transportation Commission recommended denial. At the time of the final Planning Commission hearing on this item, there was a support level of 59 percent. More recently, in fact last night, we did receive a petition from property owners on Ross Road. Three of the signators had previously expressed support for the single-story overlay and have reversed their support as of this petition. There's only one Ross Road supporter now. On your screen kind of shows the history of this. The Council has two options. One is to adopt the Ordinance, which would result in a single-story overlay for this neighborhood of 44 homes within the boundary, or reject or defer the single-story overlay as proposed. I'm going to go back to this screen here or maybe this screen for the conversation. I should say the applicants are here. I don't know if they've submitted cards.

Mayor Burt: Thank you. At this time, we can take questions from the Council, which would be technical questions, not rhetorical ones, and then we'll go to the public for the hearing. Council Member Kniss.

Council Member Kniss: Maybe, Ms. French, I missed what you said. I know it had sufficient percentage when it came initially. Where is the percentage as of now? I know that there have been some changes. Did I just miss that on the slide?

Ms. French: There is an at-places memo that reflects this, and on the screen I've put this more recent ...

Council Member Kniss: Amy, my apologies. I missed the bottom one on it. You're now at 56.8, correct, as of today?

Ms. French: Correct.

Council Member Kniss: Thanks.

Mayor Burt: Council Member Wolbach.

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Council Member Wolbach: Does Staff recall what the percentage was of the Royal Manor SSO that we did not approve, what the percentage of support was approximately? If you don't have it off the top of your head, that's fine.

Ms. French: I don't recall. At the end, it was a bit up and down.

Council Member Wolbach: It was fluctuating quite a bit. That's fine. Thanks.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: I just wanted to clarify. I was confused. Of the 44 homes that this would encompass, the four homes that are two-story, are they supporting or not supporting? Are we counting them or not counting them when we do these percentages?

Ms. French: All of the homes within the tract count towards the—are the 44. To get to the current 25, we remove those who have submitted a reversal. One of those is a two-story home on Ross, at the bottom of the page here. There are four two-story homes. This is the new home on Louis. Here are the other three two-story homes within the boundary. I think none of the two-story homes support the proposal at this time.

Vice Mayor Scharff: None of the two-story homes support it?

Ms. French: Correct.

Vice Mayor Scharff: Thanks.

Mayor Burt: Council Member Berman.

Council Member Berman: I know that a petition went out for the original 50-parcel tract. After that, six homes along Tasmin, Talisman were removed. Was there any sort of check-in with the other 44 parcels to ask them whether or not their position was the same based on the newly drawn boundary?

Ms. French: The applicants did—there were several public hearings where there was opportunity for those to speak. The applicants did say they spoke with some of those folks. I think the arguments for removing Talisman was across the street and really next to a whole different neighborhood that didn't have Eichler homes. It was kind of a ...

Council Member Berman: Understood. I understand the reason for removing it. We didn't do a check-in with everybody to see (crosstalk).

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Ms. French: Staff did not go and interview the neighbors who were still within the boundary to see if they were in favor of that.

Council Member Berman: Thanks.

Mayor Burt: I just had a question on—Council Member Holman. Sorry.

Council Member Holman: A clarifying question about two things. One is if someone currently has a two-story home, but they want to redevelop, would they be allowed to redevelop as a two-story home because they already are a two-story home or would they have to redevelop as a single-story home?

Ms. French: Willful destruction versus a fire of some sort, this is where we get into it.

Council Member Holman: Yes, willful.

Ms. French: If they were to tear down their house in a willful manner, what would be put back would be a one-story home.

Council Member Holman: It's not clear to me—I'm sorry. The white or non-colored, not striped and not green parcels, what does that mean?

Ms. French: It means ...

Council Member Holman: They didn't respond?

Ms. French: ... that they were not a yes, and it means that they, therefore, never submitted a reversal. They declined to sign the petition supporting.

Council Member Holman: We don't know if they're yeses or noes. They're just non-responding.

Ms. French: It's assumed no.

Council Member Holman: Thank you.

Mayor Burt: Can you clarify that under our regulations, we don't have a no vote. We only require affirmatives to ...

Ms. French: We require evidence of signatures of one of the property owners of each of the properties to affirm their support of the single-story overlay.

Mayor Burt: Thank you. This tract falls under the 60 percent threshold, because it has CC&Rs. Is that correct?

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Ms. French: That's correct.

Mayor Burt: This may be more of a question for the City Attorney. One of the residents who wrote to the Council had made points about whether CC&Rs had discontinued to be enforced in any way, and that the evidence was the multiple two-story homes in the neighborhood. When I go back to our original basis for setting up single-story overlays and the two thresholds, one was on the neighborhoods with CC&Rs, an assumption that those CC&Rs were enforceable and that our Ordinances would provide a mechanism other than neighbors suing neighbors to be able to enforce those CC&Rs. I want to understand if we have a neighborhood where CC&Rs for a long period of time have not been enforced and have multiple two-story homes, does that change the ability of a private property to attempt to enforce the CC&Rs? I appreciate I'm asking you for not guidance on a City legal action, but what private parties would have a right to do which would influence our decision-making.

Cara Silver, Senior Assistant City Attorney: Thank you, Mayor Burt. From a going forward perspective, the CC&Rs still exist on the property. If somebody builds a two-story house in violation of the CC&Rs, it is still possible to privately enforce that for a prospective basis. Going back, it's a little different. There are two sets of CC&Rs that govern this tract. We did take a look at the CC&Rs. One of the CC&Rs governing the tracts says that once a two-story house or other type of house that is built in violation of the CC&Rs is constructed, and there is no lawsuit following a certain period of time, I believe it's 18 months, the house can remain. That's a contractual issue that ...

Mayor Burt: Can I pause and ask a follow-up on that part before you continue with the other?

Ms. Silver: Yes.

Mayor Burt: Based on what we just heard from Ms. French in response to Council Member Holman's question, does that mean that our Ordinance would be more restrictive than the CC&Rs? Under CC&Rs alone, it could not have retroactive enforcement for the home that had built a two-story. If we adopted the Ordinance, it would be retroactive under willful demolition.

Ms. Silver: Yes, that is correct as to the parcels that are governed by that set of CC&Rs. Yes, that's correct.

Mayor Burt: (inaudible) had another one.

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Ms. Silver: No, I think that there are several different issues at play here. The application came with two different sets of CC&Rs. We haven't reviewed the CC&Rs for every parcel. There may be additional CC&Rs. I think the applicant represented to us that there were only two different sets of documents governing the tract.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: I just wanted to follow up on that and see if your understanding is the same as mine. If there are changed circumstances, *i.e.*, the building of four two-story homes, there's a doctrine in the law that says it becomes a matter of fact of whether or not their change of circumstances are so great that the CC&Rs are no longer enforceable when you litigate these cases. I guess I just wanted to understand if you agree that it would seem that it becomes—litigation becomes uncertain in this circumstance, and it's not clear who would win.

Ms. Silver: Certainly with respect to the set of CC&Rs that don't have the safe harbor for the situation where there has been no lawsuit, when we're talking about those houses, I think that there are a variety of defenses that a property owner could assert to the enforcement of a CC&R that hasn't been enforced for years.

Mayor Burt: We will now go to the public. This is a Public Hearing, so we will open the Public Hearing. We have currently five speaker cards. If anyone else wishes to speak, please come forward now and submit a card. Our first speaker is Alison Cormack, to be followed by Jackie Geist. Welcome.

Public Hearing opened at 8:46 P.M.

Alison Cormack: Good evening. Let me start by saying I love living in my one-story Eichler on Ross Road. I've no plans to build a two-story or sell my house. I am here tonight to speak against this proposal. As I said to the Planning and Transportation Commission a number of months ago, retroactively changing the rules about how homeowners use their property just doesn't seem appropriate to me. There are really a lot less restrictive ways to preserve the open space feel in our backyards. For example, the two-story home next to my Eichler is a thoughtful addition. It does not affect my backyard or raise any privacy concerns. Massing might need to be near the front of the lot to accommodate existing home layouts, but it is certainly possible to have a second story without disturbing your neighbors. Specifically, I do not believe that our block, which you can see up there, which has 50 percent of the two-story homes listed in the proposal, fits. We have seven houses on our side of the street included in this proposal. Two

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of them are two stories. There are five houses on the other side of the street. Three of those are two-story homes on the block to the north of us and on the block to the south of us. Our block is a wide street with mature trees, already accommodates a variety of heights and architectures. Six of the seven homeowners have asked the entire block be removed as the applicants did for a block on Talisman earlier. With this, support is now significantly below the threshold, which is the lowest threshold for SSOs in the City. Finally, I'd like to address the frankly abysmal communication problems with this process. Applicants understandably share their side of the story when they request signatures. The City then sends a small postcards titled Faircourt, which I am embarrassed to admit I ignored the first time, because I had never heard of Faircourt. I've lived in that house for 15 years; I had no idea my home was part of it. Crucially, which is just amazing, there was never an opportunity for neighbors to have a discussion and ask questions, only to make binding decisions with frankly really limited information. I just don't think this is an acceptable way to make significant land use decisions. I respectfully request that you reject this proposal as the PTC recommended. Thank you.

Mayor Burt: Thank you. Our next speaker is Jackie Geist, to be followed by Roland Finston. Jackie Geist is a co-petitioner. Is there a different time amount?

Ms. Silver: No, this is a legislative act. We're, I think, just having individual petitioners fill out speaker cards.

Mayor Burt: Thank you.

Jackie Geist: Mr. Mayor and members of the City Council, my name is Jackie Geist, and I live on Evergreen Drive. I'm the co-petitioner for this Faircourt single-story overlay. So many details have changed since we as petitioners began our process to bring an SSO to our neighborhood over a year ago. Since our petition was first submitted with the required over 60 percent participation by homeowners, several signers have changed their votes due to campaigns by non-supporters to influence them. Also we have eliminated certain houses in this tract because they back up to non-Eichler neighborhoods. Also, we've had some new buyers who have added their support to the single-story overlay. The reasons for our goal of creating a single-story overlay remain the same. Eichler homes come with a "bring the outdoors to the indoors" philosophy and design; that's why most of us chose them in the first place. Having a two-story home built in the back of one's house, as we have, or on either side brings with it a total lack of privacy to the one-story with its backyard and walls of glass. The backyard and many rooms of a one-story are exposed, and individual privacy is compromised, if

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not eliminated, when a two-story house is built next door or behind you. Another reason for our SSO is to maintain the character, uniformity and feeling of our neighborhood as was intended in the original subdivision. We have a very small neighborhood, just 50 houses, set in an enclosed, rectangular pattern with basically no through traffic. Extremely diverse architecture, two-story homes with, for example, Mediterranean architecture is not very aesthetically pleasing to us. We have found that property values are not affected by adding an SSO. Buyers now seek out Eichlers and buy them because they are Eichlers. Another point is that these houses provide comparatively lower-cost homes if one chooses to live in Palo Alto. Adding a second story will increase the square footage of a house and, therefore, raise the selling price of the house, standing in the way of offering the possibility of a lower-priced house to a community that is in need of such. Faircourt 3 and 4 is located in a flood zone. To rebuild even a one-story house after a teardown requires adding an elevation of nine inches to a foot to the ground or floor-level of the house, already making it taller than its adjacent house, even if it is only one story. We respectfully ask that the Council consider what is being lost to our neighborhood without the protection of a single-story overlay. Thank you.

Mayor Burt: Thank you. Roland Finston to be followed by Robert Moss.

Roland Finston: Thank you, Mayor Burt and the Council. We are here to ask you to consider the following. In the two meetings that we have had with the Planning and Transportation Commission, the last minute, day before, two days before the Commission meeting, reversals occurred where people who had signed the petition came forward and said they did not wish to continue to support. Even today's meeting changed drastically in the past two days. We have had more than 60 percent support for our petition since August, and actually going back to June of this year we've had more than 60 percent support. It just was last weekend that we learned that three of the supporters on Ross Road had reversed themselves, giving us virtually no chance to find new supporters. Interestingly, however, is the fact that in addition to withdrawing their support, the total of five people on Ross Road sent a memo petition to Amy French on Monday asking that all the houses on Ross Road be taken out of the SSO proposal. They've asked you to do that. We would not object to that at all. We ask you to consider their request to withdraw those six houses. As a result of those six houses being withdrawn, there would be then 38 remaining houses in the SSO. We would have 24 proponents of the overlay at that moment. Twenty-four of 38 is 63 percent and meets the requirements of the SSO. We would ask you to remove Ross Road, because the residents of Ross Road want to be removed from the SSO, and consider then that we would be at 63 percent which meets the requirements for the SSO. If you do not do that, I am fearful that

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a domino effect is going to set in if the SSO is rejected, and we will see more and more second stories or even scrape-offs, which is what happened on Louis Road directly across from the Eichler Swim and Tennis Club and which generated our request for this SSO. I appreciate your considering that set of points.

Mayor Burt: Our next speaker is Robert Moss, to be followed by Randi Brenowitz.

Robert Moss: Thank you, Mayor Burt and Council Members. I just wanted to make some general comments about the single-story overlay. As you know, Eichlers are designed as an open-type building, large windows looking out at the interior yards and designed so that there are a group of single-story buildings next to each other, and they don't look into each other's windows. When you put a two-story building in that area, you start getting problems with people feeling they're being infringed upon, which is why we have overlays in a number of Eichler neighborhoods. I have no skin in this game. I don't live in an Eichler neighborhood. I think there are no more than maybe two dozen Eichlers in all of Barron Park. The people who do live in an Eichler neighborhood have real issues about privacy and about consistency of appearance of the buildings. I think that ought to be considered. One of the objections to having an SSO is property values. I have never seen a realtor say that a two-story house with the same area as a one-story house is more valuable. I have lived in two-story houses and one-story houses. Believe me, I far prefer living in a one-story house. I would pay a little bit more for a one-story house than a two-story. I consider it a lot more convenient. The idea that property values are going to be impacted negatively by having an SSO does not compute. If you want to ask realtors, I think you'll find they'll all say the same thing. The second thing is whether or not the specific dimensions of the SSO should be revised. It's not uncommon once an approval is requested for some of the people to change their minds and ask to have the dimensions changed, to have the lines of the SSO revised. Whether you do that or not is up to you. In this case, you can argue that because the people have withdrawn their approval, there no longer are 60 percent in favor of the SSO for the outline that's on the board before you. In that case, you could of course remove the one street and go back up to over 60 percent. That would be logical. If you wish to do so, fine. The point I'd like to make is it's reasonable for people who live especially in Eichlers to ask for SSOs. There's no reason to say this is a bad thing or a good thing. You look at the particular issue of the particular request and decide on that basis.

Mayor Burt: Thank you. Our next speaker is Randi Brenowitz, to be followed by our final speaker, Drew Fisher.

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Randi Brenowitz: Mr. Mayor, City Council Members, I am a resident of Faircourt 3 and 4, which I didn't know I was either, but I certainly know I live in an Eichler neighborhood and have for the past 32 years. This is the first time I've actually been to a City Council meeting. I guess this whole thing is worthwhile in that space. It's been interesting. I want to speak to several issues that have been raised. I hope I can do so without repeating what some of the previous speakers have said. If you look at the current configuration, I want to agree with the woman who lives on Ross Road who spoke. Ross Road, although it's somehow however the original boundaries were decided upon, Ross Road was part of it. If you know the neighborhood, Ross Road is a wide street that we consider a main street going through our neighborhood. The other streets, Arbutus and my street Thornwood, these are little streets that feel very suburban. There isn't through traffic. They're very private, and they have a feel of being part of a neighborhood, specifically in this case an Eichler neighborhood. I know that in Los Altos, in one of the Eichler neighborhoods there, a friend of mine who happens to be a recent purchaser, I know how much she paid for her house. Her property values actually, we think, were increased not because of square footage or one story versus two stories, but there are people who are actually seeking out Eichlers because it's very in right now to be doing mid-century modern kind of architecture. I worry that if we destroy that, we never get to get it back. Once we start proliferating that kind of bigger housing on small lots—the other thing is if you look at the size of the lots, these are not huge lots. You start putting these big houses on them, I think that it destroys the feel of the neighborhood and will in fact in the long run reduce our property values. I worry about that. I am recently over 65. My husband and I have a large percentage of our retirement income and hopefully our long-term income invested in that house. We are concerned about it. Again also the nature of the Eichlers are such that it's not simply that they're one-story homes. I'm sure most of you have been in Eichlers and have been in the neighborhoods. They've been around for a long time. There are huge amounts of glass with the outside feeling like it's part of your house. I don't even have blinds or curtains on some of my windows that go out into that area, because I want to bring the outside in. I certainly know if somebody next door to me built a two-story house, the first thing I would have to do is go curtain shopping. That would certainly ruin the feel of the neighborhood. Based on both property values and neighborhood feel, I would encourage you to consider removing the Ross Road folks and then to pass this overlay for us.

Mayor Burt: Thank you. Our next speaker is Drew Fisher. We have one final card, Richard Willits.

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Drew Fisher: Hello, thank you. I am a resident not of the Faircourt 3 or 4 tracts but of the nearby housing on Arbutus Avenue. I just wanted to express my gentle opposition to the SSO proposal. I live in a two-story house. I live with a community of other young tech professionals. We've been in this house for almost 6 years. I appreciate that the neighborhood has two-story houses and that we are able to have this community, able to live in this wonderful town. I don't have any particular sway over what is being proposed; I just wanted to express my support as a concerned citizen. This is the first City Council meeting that I've been to as well. Just wanted to state my feelings. Thank you.

Mayor Burt: Thank you. Our final speaker is Richard Willits.

Richard Willits: Good evening, Councilors. I want to remind you that the general nature of the SSO is to bring enforcement of a single-story restriction which already exists in the CC&Rs to the City Planning Department, where it can be done in a much more efficacious fashion than if it is left to the neighborhood to enforce. One point that may have been missed in the previous discussion about that is that there is an architectural control commission that is mandated in the CC&Rs. It only takes 50 percent for this neighborhood, if they lose this SSO fight, in order to invoke that and then bring the fight into the neighborhood. That to me doesn't seem like a good way of doing land planning. Thank you.

Public Hearing closed at 9:04 P.M.

Mayor Burt: Thank you. We'll return to the Council for a discussion and Motions. Who would like to go first? Council Member DuBois.

Council Member DuBois: One of the options Staff recommended was possibly a deferral. I wondered if you could explain the thinking behind that.

Ms. French: As mentioned, we are working towards getting a consultant to prepare Eichler guidelines. To the extent that the Council was interested in letting that play out, that would be potentially a year-long process. There's risk to that, but that would be one reason you might defer action.

Council Member DuBois: We would just postpone this to some future date. I guess at that time we would probably need to resurvey, if it's two years after they started.

Ms. French: It's a legislative process. There's not a Permit Streamline Act in operation here for this application.

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Council Member Dubois: One of the speakers suggested removing the six homes on Ross. I see seven homes on Ross. How would that work?

Ms. French: I think there are seven homes. If those were removed, indeed the percentage of support would be higher. That is also, I guess, a third option, would be the Council could reduce the boundary without having to re-notice this item.

Council Member DuBois: This has been a pretty lengthy process. It's taken nearly a year to get to us. One of the speakers mentioned there was no chance for the neighborhood to talk. I think this process is set up for neighbors to talk to each other without involving the City. I would hope that happens. It requires meeting the threshold when you apply, which they did. We've seen a couple of these SSOs that have bounced up and down right around that decision point. I just wanted to point out here that each home is about two percent. Two more homes, we'd be back over the 60 percent. It's really just fluctuating. I think we heard that the CCRs could be active. If it's not approved and the residents remain concerned about this, I'd suggest you reactivate those CCRs. I'm going to listen to my colleagues and hear what their thoughts are.

Mayor Burt: Council Member Berman.

Council Member Berman: Thank you. I have some comments that really relate to every SSO application. I think I made these a couple of months ago. I'll make them again. Let me first ask a question. I know that we asked Staff to go back and do Eichler guidelines. I appreciate fully the fact that Staff is overloaded. I think it's fine for that to take time. I think it should be a deliberate process. I think that's a good thing. Did we also ask Staff to bring back to us at some point an opportunity to discuss the SSO process and make changes to that process?

Ms. French: Yes, that was part of an earlier Motion with the Royal Manor Public Hearing. Certainly the scope for the consultant includes looking at other legislative-type changes in addition to guidelines for architectural treatment.

Council Member Berman: We're almost asking them to do two different things. Is it necessary to have a consultant to do that or is that something that can come back to Staff for us to hash out (crosstalk)?

Ms. French: You'll have an opportunity to discuss this, I guess, when we come back with the consultant contract for the Council to review. Certainly, it would be a team approach but go hand-in-hand with—because all of these single-story overlays are Eichler neighborhoods.

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Council Member Berman: Now my macro comments. We have a terribly broken process. It's one that pits neighbors against neighbors. We see it on both sides. Some neighbors say they feel pressured to sign it, and then others say they feel pressured to reverse or there was pressure to reverse. Everybody on all sides, I think, agrees or feels like neighbors are influencing neighbors in undue ways. That's not a good thing for our community. That's not a good thing for neighborhoods. That creates too much kind of adversarial tension between neighbors. I think that's because we have this process where we as a City say to folks in the neighborhood, "Take a petition and take it around to your neighborhood to collect signatures." I think the City needs to play a larger role of regulating the election or overseeing the election and creating an opportunity for neighbors in the privacy of their own home to be able to decide what decision they want to make on such an important decision. This isn't a small thing. Neighbors shouldn't feel pressured at a neighborhood block party, because a friend of theirs that they've known for decades shows up on their front door and someone who they've known for a long time, their kids might have played together, who might have done favors for them in the past. From my neighborhood where I grew up in Palo Alto, that would be the case. I know some people might feel like that's not the case, but I know that if I had some neighbors that came to my door where I grew up in Crescent Park and said, "I really feel strongly about this," all those things would come into play with how I would respond. I think residents should get the opportunity to respond in private. I also have concerns frankly about the fact that it's just one homeowner that needs to sign it, and the fact that there isn't something there that says that there needs to be a conversation between the two homeowners or more before they make a decision. I think that just is a bad process point. I think we need to change this process. I would be okay with delaying this until we improve the process. I don't think we need to reject it. One question I had was in the Staff Report it says if we reject it that it can't be brought back until a year after May 25th, 2017. Was that supposed to be May 25th, 2016?

Ms. French: I believe it's a year from the time the Planning and Transportation Commission recommended denial.

Council Member Berman: They could not bring it back until May 25th, 2017?

Ms. French: If you rejected the application, in other words denied the application, then they can reapply, but they have to wait.

Council Member Berman: Until May 25th, 2017? For my colleagues, the Staff Report says it can't be until a year after May 25th, 2017. That is not correct. Do you see what I'm saying? Thank you. It's one year, so it would

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be another seven months until they could reapply. The Staff Report is wrong. It adds an extra year to it. Some of my colleagues didn't seem to agree with me at first. I also have a problem—if we just remove Ross Road, I think there needs to be some additional outreach to the homes adjacent to that, because that changes their calculus, that changes the decision they made in the first place. If I were to say yes to an SSO, thinking that all the homes around me it would apply to them also, and then all of a sudden the houses in my backyard it wouldn't apply to, I might think about this differently. I think those parcels of land should have an opportunity to—really all parcels, I think, in the boundary should have an opportunity to essentially revote on what is a totally different SSO boundary. Those are just a couple of my thoughts. I'm fine with extending this or deferring it, continuing it. I really think that I don't feel comfortable at this stage supporting any SSO that comes to us until we change the process and have a community discussion about what a better process would be.

Mayor Burt: Council Member Scharff, go ahead.

Vice Mayor Scharff: A couple of things. On this deferring versus rejecting concept, what I heard you say was that if we defer it, it then comes back at some point. Whereas, if we reject it, they can after May—seven months from now go and get a new petition, go talk to the neighbors and do that. Whereas, if we defer it, doesn't it come back with the current petition? I'm trying to figure out, if it's only seven months, what is the advantage of deferring versus rejecting. I'm confused on that. Why would we defer if it's only seven months?

Ms. French: Can I go back? There was an earlier statement about May, and I'm not sure that I saw the source for that statement. It's possible that was about Royal Manor. Is that right?

Council Member Berman: It's Packet Page 472 (inaudible).

Ms. French: I just wanted to make sure that I was on the same page literally. The question is deferral versus rejection.

Vice Mayor Scharff: Versus rejection given that seven months from now, they could go back, submit a new petition, go to all their neighbors. Whereas, the only purpose I understood from deferring it was that we would look at the Eichler guidelines. That process takes at least a year. At that point, it would come back after that. At that point, everything seems to be out of date. It's been a year; there could be people moved and stuff. I see absolutely no reason why deferral would be a smart thing to do. I'm trying to understand why. It's only seven months.

TRANSCRIPT

Ms. French: I think I gave an example of why you could defer it. There could be other reasons why you might defer it for four months. In other words, one very good reason would be to go and survey those who backup to the Ross Road properties and see how they feel about, if those are removed, the Ross Road properties, how do they feel about—are they still supportive of an SSO that would exclude Ross Road. I think that would be a good reason for deferral.

Vice Mayor Scharff: It wouldn't have anything to do with the Eichler guidelines, because that was the context that we had. That was the first question. Let's see. I guess I'll make some comments then. This seems to me to be one of the quietest SSOs. Other times they've come before us, there's been lots of people in the audience. It seems to be much more passion around doing it. There's not that many people that showed up on such an important issue. I'm not quite sure what to make of that. People seem equally split. It's below the threshold. It seems like it's right on the edge, which I guess is what we've seen. It's fluctuated back and forth. I think that makes it really hard for me to support it frankly. It doesn't seem like there's strong neighborhood support to do this. People signed this, but I haven't seen a lot of people come and speak for it. On that basis, I'll just move that we deny it.

Council Member Kniss: Second.

MOTION: Vice Mayor Scharff moved, seconded by Council Member Kniss to deny the request for a Single Story Overlay (SSO).

Vice Mayor Scharff: Can I speak to my Motion?

Mayor Burt: Yep, go ahead and speak to your Motion.

Vice Mayor Scharff: We set it up that it's 70 percent if there are no CC&Rs, 60 percent if it is CC&Rs. There are CC&Rs; we've had the 60 percent. It's fallen below the 60 percent. When we've done this in the past, we rejected the last one that came to us that was below it. I agree with a lot of Marc's comments, Council Member Berman's, regarding that the process does seem broken to me and does seem to need to be fixed. Since we sort of have this—at least what we've been doing in the past, it seems to me, is that when it gets below the threshold, which in this case is even lower than 70 percent, we haven't moved forward with it. I don't really see a strong reason to defer. People can come back on this in seven months, which is a fairly soon time if there is strong support for this at some point. I'm really uncomfortable with the notion of, first of all, we broke off one road, and now we're going to break off another road. The idea is that every time it loses support, you figure out how can we make it meet that 60 percent threshold.

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I actually don't think that's a good process either. I really do think I would like to encourage Staff—I know it takes a while and we've asked for it—to come up with a plan where we—what Council Member Berman was talking about. You have some sort of ballot where people talk about it, and that's the ballot that counts so it's not a matter of shifting or not shifting support, and that's the ballot we use or some process like that that seems fair and that we use the natural boundaries of the tract, and it's not a matter of seven homes over here don't want to do it, 12 do. I'm just uncomfortable with that process. I think we want a fair process that's transparent, open like we strive to do in the City. This doesn't really feel like this. It feels like it shifts depending on how we can sort of make it work. Therefore, I can't support this at this time.

Mayor Burt: Council Member Kniss.

Council Member Kniss: Let me ask Ms. French a question while I second the Motion. What do we have to do to change this process? I feel like it's déjà vu back to Royal Manor again. I'm really troubled that one of the audience spoke to the fact that she didn't know she was in Faircourt. This process is not only broken, but we're having people kind of fall out along the wayside. I think that's troubling. Ross Road said tonight very clearly that they want out of this, without question. The applicants have very kindly said they would let them out of it. I think we've gone down this road before. As I said, it feels very déjà vu back to Royal Manor. If we don't fix this, this is going to come back to us again. Do you need a referral from us? Do you need this request in public? What will it take?

Mr. Lait: Thank you, Council Member Kniss. I believe that the Council's already given Staff direction to update and take a look at the SSO process. Right now it's just a matter of where that gets plugged into the other work items that we have. I don't believe there's any other pending applications for SSOs?

Ms. French: No. I know there are some out there that are watching the ones that have come through and waiting.

Mr. Lait: I think part of the public dialog is informing other future applications.

Council Member Kniss: Until there's a real City-owned process, I think we're going to go through just what Marc said tonight. We're going to keep chewing on it and people will visit their neighbors again to get another change. That's really awkward. It's awkward for the neighborhood as well. I spent some time in that neighborhood, a couple of hours on Sunday. Ross Road is quite differentiated from the rest of the tract. I spent a lot of time

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just walking in the area that the applicants are from. I would agree it's a lovely area, and it does even feel separated. I think tonight the correct thing is to deny the request.

Mayor Burt: Council Member Schmid.

Council Member Schmid: The point has been made that the last three of these we've had discussions at Council have become very contentious. The votes are close. People change their minds. We end up neighbors arguing with neighbors, instead of the City having clear guidelines. I think there's a good case to be made that Staff recommends approval of this. Let me note the issues in this that stand out. The original petition met the minimum. Now, that's what our rules say. If the petition meets the minimum, we should approve it. We have this thing about people changing their mind. It takes time to get here, and people change their mind. In this case, it's particularly important because it has CC&R. That means that everyone who bought a house in that area got a deed that said this is a single-story neighborhood. That's a pretty convincing case that the intention of the neighborhood was clearly stated in the deed, and everyone who purchased it, who looked at his deed saw that that was the rules of the game. I thought it was also very prominent here that two new buyers came in and added their name to the petition. In other words, they're buying into a neighborhood that had these very protections, that they're buying into. That to me is very convincing evidence. I think the Planning and Transportation Commission (PTC), while they rejected the Staff recommendation, made a very important point, that the process and system we have isn't working. People don't know what the rules of the game are. People change. New arguments come up, and they come back and forth. We end up with this page that shows four reversals over six months, four months. We need Eichler design guidelines. We have what, over 1,000 homes now in single-story Eichler neighborhoods. We have others petitioning to get in. They are a distinct style done by a well-known architect, that are now over 50 years old, and they are in market demand. What is it about them? Is it just single-story overlay or something about the character of life? Are there rules that we could get from working through the design guidelines, that can help neighbor and neighbor talk together of how to work out these things? I would make an alternate Motion that we continue this item to a later date so it can be discussed in conjunction with the Council's earlier direction to explore Eichler zoning or design guidelines.

Council Member DuBois: I'll second that.

TRANSCRIPT

SUBSTITUTE MOTION: Council Member Schmid moved, seconded by Council Member DuBois to continue this Agenda Item to a date when Council can consider updates to the Single Story Overlay (SSO) process.

Mayor Burt: Did you want to speak further to that?

Council Member Schmid: Just that I think this is a unique case because of the CC&Rs, because they came in, they followed the rules and came in with their petition. The new buyers have come in and said, "I like this. I want to pay money for it. I'm willing to pay the value of the property." It makes sense that we don't deny it without the exploration of guidelines.

Mayor Burt: Council Member DuBois.

Council Member DuBois: I kind of want to address the question that was raised of what's the difference between rejecting this and deferring this. I think there's some pretty clear differences. It's a lot of work to apply. They spent nearly a year getting to this point, just gathering the signatures, going to the PTC. They can't really come back in seven months. It takes longer than that. I just don't think it's fair to wear people down by rejecting and saying go through that whole process again. I echo what everybody is saying. We need to figure out what the rules are and stick to the rules. I don't think the efforts are being necessarily characterized fairly. I think a group of people hit 60 percent when they applied, which is the rule. The question is when do we allow people to change votes. People change their votes. They said, "Let's remove some of the homes that are not part of the Eichler home." They went back over 60 percent. They stayed at 60 percent from June until a couple of days ago. As one of the speakers mentioned, they didn't really have a chance to react over the weekend. I am listening to kind of the discussion about Ross Road. I think we should maybe let the neighborhood decide if Ross should be considered outside of the grouping. They'd be at 63 percent if we took those Ross homes out. I want to respect the work and the effort of the residents to get here. I think just rejecting this is not fair. I would propose maybe an amendment to the Motion which is to give them the option of—I'm not wording this right now; I'm just speaking out loud. You have "to continue this agenda item to a date when Council considers the updates." I'd like to say "or allow the neighborhood to decide if they want to remove the homes on Ross."

Council Member Schmid: Sure.

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Substitute Motion, "or allow the neighborhood to decide if they would like to exclude the Ross Road properties."

TRANSCRIPT

Mayor Burt: Council Member Holman.

Council Member Holman: Thank you. The amendment here is to continue this to a date—just want to make sure I understand the amendment—when the neighbors can come back with a determination about whether they want to exclude Ross Road. Is that what you're saying? Is that what the amendment is? Let me say a couple of things. That at least improves it where it's, I think, more supportable. I guess a question for Staff is how soon could this come back? If we just continue this, when could it come back? I know it depends partly on the neighbors, but when could it be agendaized to come back?

Mr. Lait: There's a lot of variability there. I think if the process is to stay as it is in the Code and the neighbors are to sort of re-petition the neighborhood about that issue, it would depend on that issue or depend on the results of that being transmitted to the City. We would spend a couple of weeks with that information. It takes about, I would say, from that point probably about two months to get you scheduled for an agenda provided there's an open agenda.

Council Member Holman: You're looking at December probably.

Mr. Lait: It's not this year.

Council Member Holman: I'm sorry?

Mr. Lait: It wouldn't happen this year.

Council Member Holman: No?

Mr. Lait: No.

Council Member Holman: I'm not happy with the original Motion, and I'm not terribly thrilled with the Substitute Motion. Here's why. It's been well stated that this neighborhood has existing CC&Rs on it now. Our process isn't perfect; it does need to be improved. The neighbors went forth with the process that we have currently in place. The CC&Rs are in place now. While it does have its flaws, it's a heck of a lot friendlier than a neighbor feeling like, "I don't want to sue my neighbor but they're building a house that's really inconsistent with the neighborhood and that's my only option, to sue them." What kind of option does that leave a neighbor with? It's an expensive one and, I would say, some would consider a hostile one. I don't think that's a very good option. I'm not exactly sure why these properties on Ross Road who decided to opt out did so at such a late time. Does Staff have any information about that?

TRANSCRIPT

Ms. French: No, it was a surprise to us.

Council Member Holman: Knowing how much stuff is on the Staff's plate, I don't know how long it's going to be before a revised process would come back to us in addition to when the neighbors could take a revised process out and come back with a new survey. While it wasn't mentioned here, I think the original Motion probably relies on either a revised process or—I can't see the original. It was just a denial, but I think the comments were to rely on Eichler—I would say standards not guidelines. I'm always in favor of those. It's sort of like fiddling while Rome is burning. I don't know of any applications. No one has mentioned any applications coming forward at this point in time that would change the character of this. If you just look at this map, look at Thornwood Drive and look at Evergreen Drive. That's a whole intact area there that's all single-story. All of it is single-story except for one house on Arbutus. Maybe that's still called Thornwood Drive that circles around, but I think it's called Arbutus. All but one is single-story on that whole inner circle. I look at the Professorville Design Guidelines. It's taken what, 6-7 years.

Mayor Burt: We need to move on.

Council Member Holman: Quickly. I guess you can't make another Substitute Motion. I don't believe we can.

Mayor Burt: Council Member Filseth.

Council Member Holman: I don't think we can, can we? We can't make another Substitute Motion?

Mayor Burt: No. That's right.

Council Member Holman: I would just ask the colleagues who made the Substitute Motion to reconsider.

Mayor Burt: Council Member Filseth.

Council Member Filseth: Thanks. We seem to have gotten into comments and Motions and counter-Motions and stuff like that. I actually had a question. The SSO area as proposed is a fairly contiguous, identifiable piece of area. The proposal that we take out the seven houses on Ross sort of chops it, going through people's backyards. They're in between people's backyards and stuff like that. It changes the configuration of that. I guess I just wanted to ask for Staff's comments and opinions on that and is there precedent for that? Have we got other SSOs that go through the middle of blocks and not along streets and stuff like that?

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Ms. French: The SSOs that I've been involved in processing have generally followed streets or, in the case of the boundary to the left, a creek channel. We have had—I'm thinking the Los Arboles did remove two homes on the edge that were on a different street, that seemed outliers and were not Eichler one-story homes. They were a different character, and they were outliers on the street. There is precedent to remove some homes.

Council Member Filseth: My reaction was the same as, I think, the Vice Mayor's on this. We slice a little bit off here, and we slice a little bit off there. I'm sort of uncomfortable redesigning the whole thing from the dais. With that, I have a couple of comments earlier which is on the process. We're all throwing darts at the process, which very clearly isn't perfect. Yet, the process is the process until we have a new process. It is what it is. If we don't make decisions because we think we might change the process in the future, then we'll never get anything done. I think we ought to make a decision on this. As far as the back and forth between 62 percent and 58 percent, I think that just shows that this is borderline. If it were 80 percent in favor or 30 percent in favor, this wouldn't be happening. I think what this shows is just borderline. At that point, you have to pick a date. It is what it is. I have a tough time supporting—I understand what the proponents want to do, and I appreciate what they've gone through to do it. It's very hard for me to support when 43 percent of the neighborhood tonight doesn't want to do it. Again, it just shows that it's borderline. I understand the tendency to say why don't we defer it and get some more information and stuff like that. I think we've been doing a bunch of that in the last few months here on Council. I think we ought to make a decision. Thanks.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: I'm in favor of SSOs. I was recused from one recently because I was a resident of a neighborhood. Myself, my family, we were in favor of it. It didn't succeed, didn't move forward. We were okay with that, because we realized we didn't have the whole neighborhood on the same side. We had a preference as a family, and we didn't get what our preference was. We accepted that. I've always said I'm in favor of SSOs if the neighborhood has overwhelming support. Maybe consensus is the right word. It doesn't have to be unanimous. Kind of picking up on what Council Member Filseth was just saying, this is borderline. I respectfully do want to offer an important correction about something that was said by Council Member Schmid. I just want to make sure we're very clear. Even in a neighborhood with a CC&R 60 percent or in a neighborhood without a CC&R 70 percent, those thresholds are to get a hearing. Those are not thresholds to get an SSO. That allows you to move the forward process, to have this hearing, to have this discussion. At which point, I think it's incumbent upon

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us on the Council to evaluate whether there really is strong, overwhelming neighborhood support, that you're not taking away some people's property rights in a neighborhood that's borderline on the issue. If the neighborhood is on board, then in a hearing like this we can approve it. I also want to be very clear. Signatures are not votes. That's why we've already directed Staff to move forward looking at the process. I do want to correct something else I heard. Rome is not burning. Staff is not fiddling. Staff is overworked because we give them a ton of work. They are doing their best. They are already trying to get this process improved. I think we need to give them the time to get the process improved. Given the level of support in the neighborhood now, even if you got rid of Ross Road, there is not enough support in this neighborhood currently for an SSO for me to be in favor of it. Deferring it isn't going to improve the likelihood that I'm going to support it. It's more likely that I'll support some changes to the standards in this neighborhood, whether it's an Eichler design guideline or an SSO, once we've had a chance to fix this process, to make sure it is City-run, City-owned, that it does not pit neighbor against neighbor, that it allows people to vote in private according to their conscience. I think we do need to have that. I think we were clear before and we need to be clear tonight. I know that other neighborhoods are looking at this. They're watching us right now, and they are trying to see what's the process that Council wants to move towards. We do need to have time to fix this process and maybe establish some Eichler design guidelines as an alternative process. Until we do that, which we've already directed Staff to get working on and they are trying to do, I don't think we should be approving SSOs, especially if they are borderline like this. There's an opportunity for this neighborhood to have something done that will preserve the neighborhood character and achieve the goals that the proponents are seeking, but it's not going to happen through this current application. This current application is not sufficient to meet the threshold that I am looking for, which is broader neighborhood support.

Mayor Burt: Council Member Berman.

Council Member Berman: I just want to reiterate quickly a point that Council Member Wolbach made, which I think is critically important. I've heard two colleagues tonight say that 60 percent is the threshold to get approved. That's not true. Sixty percent is the threshold to get a hearing at PTC and eventually for Council to weigh in on that, when there are CCRs in place and 70 percent when not. I just want to make sure the community and colleagues and the applicant understand that.

Mayor Burt: I'm going to speak first. I'm hesitant to open another round here. First I want to give just a couple of quick comments for Staff when

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you're looking to bring back the future policy alternatives. I think one of the issues is that we need to have a lag between when residents are asked whether they will support or not support a petition and when they're notified, whether that's a 30 or a 60-day time period where they basically are given a notice of an intent to circulate a petition before they're asked to sign or not sign. I think it lets everybody think about it and not feel pressured and hopefully have some neighborhood dialog over it, and then they can make informed decisions. I suspect out of that we'd get fewer reversals over time. When people sign it, they'd have thought it through and stick with their decision. Second, the point has been made. If we change boundaries and we really don't know to what degree the initial petitioners still support new boundaries, we may have higher support than we did. We may have lower support. We just simply don't know. This particular petition has already had one boundary change, and we're looking at a reasonable argument that if we were going to consider it, it would perhaps have a second boundary change. I'm surprised we have no one here from Louis, because we have five out of five homes on Louis who didn't support the petition. One of those five is two-story already. On the other hand, within the internal neighborhood of Evergreen and Thornwood and Arbutus within that sector, we have as best I can count 25 of 32 homes in support. One of the things I didn't hear tonight but we've heard on the more recent one is a difference in lack of participation in the voting by absentee homeowners. The homeowners tend to participate more, and the absentees don't. I don't know how to construe that lack of participation. Is that a no vote or just a non-participation? I think it's probably a combination of the two. If we were to consider the petition for the boundaries that came to us tonight or if we were to consider it for including the original boundaries, with the original boundaries we're at what, maybe 50 percent or so if you include the opposite site of Talisman. On the other hand, if we have this interior configuration, we'd be 78 percent. It's a big difference. I don't see the basis for being able to have this particular proposal come back to us. If we were to exclude Ross, I'd want to have a revote.

Council Member Berman: A revote of the neighborhood?

Mayor Burt: I thought the Motion said the petitioners would be able to decide.

Council Member DuBois: The intent was they would have to repetition without Ross.

Mayor Burt: They didn't have to repetition to change the boundaries.

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Council Member DuBois: That was the intent.

Mayor Burt: That brings back a problem with the whole process. I think we need to have clarity when people bring a petition, and then we change the boundaries, do the prior signatures apply to a new boundary. Frankly, I would be much more inclined to support excluding the Louis homes. We all know that brings up an argument that those people then have a potential two-story over their backyard. I expect that we will have Eichler guidelines that would then apply to any Eichlers that would be in that circumstances. That would give additional protection over what we currently have. In this circumstance, we look at tradeoffs and trying to strike balances. In my mind, excluding Louis that has zero support for it and considering the interior neighborhood that has very high support would be a more appropriate approach. With all those changes, I frankly think that it needs to come back under that petition. I appreciate that there's a lot of work that has gone into the petition so far. I understand that, but I think this is a lot of changes from the original petition, including one that isn't even before us tonight that I'd be advocating. I will not be supporting the Substitute Motion. Council Member Holman, did you have something real quick, because I don't want to open a whole other round?

Council Member Holman: Yes, real quick. Because one of the Council Members was allowed to respond to something, I wanted to too. I wondered if it would be helpful to offer an Amendment to the Motion that's up here. Allow the neighborhood to decide if they would like to exclude the Ross Road properties and/or Louis Road properties. If that would be agreeable to the maker and seconder? Thank you for that.

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Substitute Motion, "and/or Louis Road properties."

Council Member Holman: Just really quickly ...

Male: (inaudible) say yes?

Council Member Holman: That was accepted. Just really, really quickly in response to a couple of comments that were made earlier. I wasn't indicating that Staff was fiddling while Rome was burning. I was indicating the Council was, not the Staff. I had already said how busy they are. The other is I don't believe an application has to have 60 percent support to come to the Council. I think an applicant, any applicant, can come with or without Staff support. They deserve a hearing in front of the Council. It is not, I don't believe, a 60 percent support to get a hearing in front of the Council.

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SUBSTITUTE MOTION AS AMENDED RESTATED: Council Member Schmid moved, seconded by Council Member DuBois to continue this Agenda Item to a date when Council can consider updates to the Single Story Overlay (SSO) process or allow the neighborhood to decide if they would like to exclude the Ross Road properties and/or Louis Road properties.

Mayor Burt: I'll just state that that is further indication of confusion that we have over the process. Let's vote on the Substitute Motion. That fails on a 6-3 vote with Council Members Schmid, DuBois and Holman voting yes.

SUBSTITUTE MOTION AS AMENDED FAILED: 3-6 DuBois, Holman, Schmid, yes

MOTION RESTATED: Vice Mayor Scharff moved, seconded by Council Member Kniss to deny the request for a Single Story Overlay (SSO).

Mayor Burt: Now we'll return to the initial Motion. Unless we have necessity to debate that, I see no lights. We can vote on the board. It's to deny the request. That passes on a 6-3 vote with Council Members Schmid, DuBois and Holman voting no. Thank you everyone for participating. We appreciate that these are difficult decisions and no single, simple answer. We hope that going forward we still have mechanisms, either alternatives or moderately soon to be included new tools and revisions to the process that will provide some additional approaches. Thank you all.

MOTION PASSED: 6-3 DuBois, Holman, Schmid, no

Mayor Burt:

12. Review Options and Provide Direction for Citywide Bike Share System Operated by Motivate, LLC and Finding That the Project is Exempt From Review Under Sections 15061(b)(3) and 15303 of the California Environmental Quality Act Guidelines.

Mayor Burt: We will now continue to Item Number 12, which is review of options and provide direction for a Citywide bike share system operated by Motivate and finding that the project is exempt from review under CEQA. Mr. Mello, welcome.

Joshuah Mello, Chief Transportation Official: Good evening, Mayor, members of Council. I'm Josh Mello, the City's Chief Transportation Official. I'm joined to my right this evening by Chris Corrao, who's the Senior Transportation Planner working on bike share. We've also invited this evening Ryan Rzepecki, who's the founder and Chief Executive Officer (CEO) of Social Bicycles a/k/a SoBi, and Emily Stapleton, who is the General

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Manager for Bay Area Bike Share which is a subsidiary of Motivate. We visited you back in April and kind of gave you a rundown on the status of our current pilot bike share system and had a Study Session and got some great comments from you on directions you wanted to see our bike sharing program go. Just to bring you up to speed, our pilot program is part of the larger Bay Area Bike Share pilot that was funded by the Air Quality Management District, launched back in 2013. Palo Alto, Redwood City and Mountain View all participated in this pilot as well as San Francisco and San Jose. There were 700 bikes total in the entire pilot; 37 of those bikes were in Palo Alto, and we had five stations. Those are still in operation today. Currently there's a large-scale expansion of Bay Area Bike Share under way. This will bring the system to 7,000 bikes, making it one of the largest systems in the entire world once it's expanded to 7,000 bikes. Emeryville, Berkeley and Oakland are joining the system. Initially the Peninsula was not included in that expansion. If you remember, we discussed that back in April. Our current system, as you know, is not performing very well. We think this is directly related to the small number of stations, the small service area, and the fact that the system uses a point-to-point smart dock-style of equipment, which requires a user to travel between two specific places. If there's not a dock located at either their origin or destination, the system is not useful for that user. As a result, our bikes only saw an average of 0.17 trips per bike per day. It's not the most poorly performing subsystem within the pilot, but it's pretty close. Again, we think that's mainly because of the structure of the system. Our goal moving forward would be to get the utilization up to at least 1 trip per day per bike, which is kind of the industry standard for a system our size. An interesting find, when we look at the data from our current pilot system, the most popular trip leg is between the two most distant stations. That tells me that we're not really serving the market. The biggest trip pair is from the Downtown Caltrain station to the station that's at University and Cowper, which is actually the farthest you can ride from the Downtown Caltrain bike share station. I think moving forward, if we have more coverage and enable people to make longer trips to and from Caltrain and our business districts and Downtown and Cal. Ave., I think we're going to see an increase in the number of trips per day per bike. Back in October of 2015, Metropolitan Transportation Commission (MTC) provided some funding to SamTrans, and we kicked off a study in coordination with SamTrans, Redwood City and Mountain View and also attended by MTC staff to look at what the post-pilot Peninsula bike share system should look like. I updated you on this study back in April and let you know that the group was starting to lean towards a preference for a smart bike system, SoBi being kind of the premier example of a smart bike system. We presented to you all the information we had from that study back in April. I think the Minutes are included from that meeting in your packet this evening. Since that meeting, the City of San

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Mateo has launched an independent smart bike system, using SoBi bicycles. This is not part of the greater Bay Area Bike Share System, and it's intended just to be a pilot. It's doing fairly well; again though, it's not connected to the larger network. A few months back, in May, our City Manager, Jim Keene, executed an agreement with other City Managers and representatives from Stanford University to create what's called the Manager's Mobility Partnership. This includes representatives from Redwood City, Menlo Park, Mountain View, Palo Alto and Stanford University. It's facilitated by the Joint Venture Silicon Valley group. One of the first tasks that this group took on was to coordinate a bike share on the Peninsula. Palo Alto served as kind of the point person for these negotiations. We started talking to SoBi shortly after the April Study Session with City Council. At first, we were leaning towards creating some type of independent system and executing a contract directly with SoBi and perhaps setting up a nonprofit or one of the cities taking the lead on operations. About two months ago, three months ago, Motivate actually approached us—Motivate the current operator of Bay Area Bike Share—and offered to use SoBi equipment for an expansion on the Peninsula and actually provide the City of Palo Alto with free operations for the system during the life of the contract. That's an exceptional offer that not many cities receive. A lot of cities need to put public funding into the operations or rely heavily on subsidies, Federal funding. This is a really good opportunity for the City. The proposal that's on the table today is in the term sheet that's included in your packet and would require the City of Palo Alto to purchase 350 SoBi bicycles and hub equipment for a total cost of \$1,160,803. A portion of this would be covered by a grant that we would receive from the Santa Clara Valley Transportation Authority (VTA) Transportation Fund for Clean Air (TFCA) grants. We actually applied for those shortly before the meeting back in April. We received \$171,000, and that can be used for a capital purchase of the equipment. That would reduce our costs by \$171,000. Motivate has agreed to operate the system free of cost, free of charge to the City of Palo Alto for the life of the contract. The current contract length that we are considering is five years. That is to enable us to take a look at the performance of the system and also look at whether there's additional revenue sources that could be available through sponsorship or other opportunities when that five year contract is up. If we elect to expand the program beyond 350 bikes—we would actually like to eventually get to 700 bikes through a Phase 2 expansion in 2018. If we do expand beyond that 350 bicycles, Palo Alto would be responsible for \$100 per bike per month. This is also a good deal. In our prior negotiations, before we received the offer from Motivate, we were looking at potentially paying \$130 per bike per month. This is a really good deal if we were to elect to move beyond the 350-bike system. We also managed to negotiate terms for our neighbors along the Peninsula. Motivate is willing to offer our neighbors similar terms if Menlo Park, Redwood City

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and Mountain View elect to move forward with the SoBi system as well. The proposal before you tonight is to move forward with a 350-bike, GPS-enabled smart bike system. There would likely be roughly 35 stations, so 10 bicycles per station. These aren't the traditional stations that you see today. These are just hubs where the bikes would be docked or parked. Phase 2 of the system, we would recommend an additional 350 bicycles. We applied for funding from MTC to cover the capital costs. I believe it's 83 percent of the capital costs if we receive the MTC grant. That would be in 2018. We would roll out Phase 1 in 2017 and then Phase 2 in 2018. We also would strongly encourage participation by private entities including Facebook, Stanford Research Park, Stanford University, the Medical Center, Google and other employers. You were given an at-places memo which includes letters of support from many of these entities. We have continued to keep them in the loop as we've negotiated this term sheet with Motivate. A lot of these entities are interested in participating in our sub-regional Peninsula system. Just to bring you back up to speed on the SoBi equipment. We talked a little bit about this back in April. SoBi equipment is different from what we currently have in operation because the computing system is actually on the bicycle itself. It's not in the dock. This enables you to greatly save on capital costs. The bikes are a lot less expensive than the smart dock system. They're also a lot more flexible. If the hub is full, you can actually lock it to an adjacent bike rack, and you can lock it up while you're traveling and visiting a coffee shop or grocery shopping to a regular bicycle rack. They also have GPS tracking technology which allows you—I'll show you a little bit later in the presentation—to collect quite a bit of data on the ridership, trip length, destinations, type of trips by type of membership, and a whole host of other great data points. The system's flexible. With the traditional smart dock system, you have to actually dock the bike in a fixed station, and that's the only place you can leave the bike for it to be considered returned. SoBi's a little bit different. You can dock the bike at a hub, which is shown in the photograph here. If that hub is full, you can dock it to an adjacent bike rack. If you don't want to dock it at a hub and you're in a hurry and you want to just lock it up in front of your place of employment or wherever you're having a meeting, you can do that as well. What would happen then is you would be charged a \$3 out-of-hub fee. The next person that comes along would be able to locate that bike with their smart phone app in front of your place of employment or your meeting location. They could grab that bike just like they could at a hub. They would receive \$1 credit if they return that bike to a hub. It's kind of a self-balancing; they use financial incentives to encourage people to return the bikes to the hubs. You still have the flexibility to leave it somewhere outside of a hub if you want. You can also create virtual hubs. This is a map of the downtown Phoenix SoBi system. You don't have to just have one corner of an intersection designated as your hub. You could designate an entire

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intersection as a hub. I know Topeka, Kansas, for a certain time actually designated their entire downtown as a hub, so you could grab a bike anywhere in Topeka, ride downtown, lock it up to any bike rack, and it's considered returned. You don't have to worry about locating a rack if you're going downtown. As soon as you get there, you just lock it up to the first available location. This is an example of some of the data you can pull using the SoBi system. You can calculate greenhouse gas reductions; you can analyze travel patterns; you can look at the performance of the different hubs. We'll be able to look at the number of trips per day per bike. This is an example of number of trips. You can split it up by type of membership. If we wanted to know where daily membership riders were going, maybe we find out that people are coming to Palo Alto station and then touring Stanford on a day pass. We would actually be able to look at what types of trips and where they're going based on the membership. We could look at where the annual membership riders are going. All this data will help us better focus our marketing efforts and work with Motivate and target specific populations and demographics and help improve the performance of the system and get it up to that one trip per day per bike minimum that we're looking to get to. This is an example of a map showing all the trip density overlaid on a city map. I think this is Hamilton, Ontario. We'll be able to use some of this data to help plan our bike network as well. We'll see where there's gaps, where we may see a certain roadway segment that a lot of cyclists are using, and we don't have any infrastructure on that segment. We could then in turn focus our investments on that roadway segment. This is the current fare structure for Bay Area Bike Share. We would not have the ability to set the fare structure. This would be operated as part of the regional system under contract with MTC. Motivate and MTC have already negotiated the fare structure for that. A 24-hour, one day membership is \$9. A three day membership is \$22. A one year membership is \$88. When you have a membership, you can take an unlimited number of 30-minute rides anywhere in the system. This is intended again to be kind of a last-mile/first-mile connection. A bike share system is not intended to be a bike rental system, where you rent the bike for a day or two or days at a time. These are used for short, 30-minute or less, trips. Smart bike-specific fees that Motivate has included are, as I mentioned earlier, the \$3 out-of-hub fee—this would be if you lock a bike up outside of a designated hub—and a \$1 return credit. The annual pass will be increasing from \$88 to \$144 with the expansion of the system in 2017. This is very important. Motivate is working to ensure that the system is interoperable with the Clipper Card in the future. In the interim, you'll be able to use your Clipper Card as kind of your ID for bike share. It'll be tied to your bike share account, but you'll only have to carry one card for transit and for bike share. In the long term, we're hoping that with Clipper 2.0 you could actually have one account that would pull transit funds, bike share and other modes of transportation. This

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is the schedule, assuming you direct us this evening to move forward with negotiations. We would negotiate a contract with Motivate and SoBi in October and November. We would return to you with a contract likely on the Consent Calendar in December. We would issue a purchase order for the bicycles and equipment in December. By February, we would roll out a station siting website. This would be a website where residents of Palo Alto could suggest station locations, hub locations for bike share. I've seen some where you can actually up (inaudible) people's locations and have a conversation about the pros and cons of different locations. We would conduct our public outreach. In May, we would hope to roll out a demonstration hub and start our equipment testing, with a goal of launching the new system in June of 2017. This is a breakdown of the costs. I already mentioned the capital costs earlier. Our total capital costs for the 350-bicycle system would be \$1.1 million. This is included in the Capital Improvement Program (CIP) Project PL04010. That includes program set up, station installation, the equipment necessary for the hubs. Our operating costs would be \$0 per year for the 350-bike system. It would be \$420,000 per year if we elect to add another 350 bikes in 2018. There will likely be additional Staff resources required. We're estimating 0.5 to 1.0 Full Time Equivalent (FTE), and that would be necessary beginning in Fiscal Year (FY) 2018. That concludes our presentation. As I mentioned earlier, we have both SoBi and Motivate here to answer questions, if you have any of them. We can gladly answer questions that we feel equipped to do so.

Mayor Burt: Thank you. Colleagues, questions of Staff? Council Member Wolbach.

Council Member Wolbach: A couple of questions. I'm not clear on the—sorry if I missed the explanation. What happens if your ride is 35 minutes?

Mr. Mello: There is an overage charge. I think it escalates the longer you keep the bike past 30 minutes. I think it goes up exponentially. Emily may be able to answer that question more specifically.

Mayor Burt: Go right ahead.

Emily Stapleton, Bay Area Bike Share General Manager: Trips are unlimited if they're 30 minutes or under. There would be an escalating overage fee. We still need to work through specifically what those would be. In the current system in a smart dock scenario for example, it would be \$4 for any trip that's 31 minutes to 60.

Council Member Wolbach: I'm sorry. Could you repeat that last part?

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Ms. Stapleton: In today's smart dock system, it would be \$4 additional for any trip 31 minutes to 60. The smart bike system would probably be priced a little bit differently since it's a different model.

Council Member Wolbach: I'll save my comments on that for later. It's somewhat addressed on Slide 15, but I did want to make sure I noted correctly that it looks like on Slide 7 in the current planning, the north corner of town—I'm talking true north. The north, east, and south corners of town are completely excluded. Is that correct? There's nothing at the JCC to Greer Park, along Fabian and certainly nothing on San Antonio or north of 101 in that commercial area? I just want to make sure I'm not missing something.

Mr. Mello: This is a map that was developed by the consultant that was hired by SamTrans for the study that I mentioned earlier. This map was developed with the thought that you want to have a maximum spacing between stations. We would have 35 stations. In order to have that maximum spacing and focus on Cal. Ave. and Downtown, this is kind of where it shook out. This is not intended to be the fixed boundary of the Phase 1 system. This is just a guide to show us what—it's called a feasibility analysis. Basically what size system would work in Palo Alto, and that's what this map represents.

Council Member Wolbach: Remind me what it would take if we wanted to see additional locations beyond the 35 added.

Mr. Mello: There's 350 bicycles. There doesn't have to be exactly ten bicycles at each hub. We could have additional hubs with 350 bicycles. We wouldn't want to go too far beyond 35 because you want to have a minimum number of bikes per hub.

Council Member Wolbach: Got it. Thank you.

Mayor Burt: Council Member Filseth.

Council Member Filseth: Thank you guys very much for bringing us this. I think if this works and lots of people use it and so forth, it would be absolutely wicked cool. We've got the bike infrastructure under way for it. All the pieces would come together. At risk of wallowing in Silicon Valley jargon here, you've got technology risk and you've got market risk. The technology here looks really cool to me. If you look at the previous incarnation of what we have now, the results look like it was very successful in San Francisco and much underutilized pretty much everywhere else down the Peninsula and in San Jose. I look at that. We got 0.17 trips per day per bike in the existing system. You read that and say for whatever reason, for

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the technology and system of the existing system, apparently there was just very little demand. I have two questions. This is going to cost us \$1 million to do this. One is what evidence do we have—what's our best evidence that there really is going to be demand for this if we do it this way and we have the less point to point? Second is, is there any way to test this without spending \$1 million?

Mr. Mello: The answer to the first question is the feasibility study that was completed by the consultant on behalf of SamTrans looked in great detail at similar suburban communities across the United States.

Council Member Filseth: But not in Palo Alto?

Mr. Mello: No. Similar suburban communities across the United States that have a very similar built environment, density and have existing bike share systems in operation. That's actually how the system size of 350 was determined. They looked at varying sizes. They looked at whether it's better to spread everything out or have a very small service area and not have as many bikes and stations. What they determined was our ideal system is 350 bicycles in order to get to, I think, 100,000 trips per year, is what they estimated. That's based on the numbers from similar suburban communities. The answer to your second question is no. Unfortunately, bike share is like transit. You have to have a pretty complete network for people to actually start using it. You can't just run a bus for a couple of blocks and then complain that nobody is using it because it's just not a feasible mode of transportation. Bike share really needs to be in places people want to go. Unfortunately, you have to roll out a pretty dense, substantial system in order to truly test whether it's going to work.

Council Member Filseth: If we get out here two years from now and our average bike utilization is 0.18 trips per bike per day, are we committed to buying the next 350 bikes and so forth?

Mr. Mello: The existing system was funded by Air Quality Management District funds. It was a pilot. The City of Palo Alto did not purchase any of the capital. There was nobody really keeping an eye on the system to ensure that it was performing well. There's also a title sponsor that is coming on board, Ford Motor Company. They're going to sponsor the entire Bay Area Bike Share System. I think when you have a sponsor's eyes on a the system, you're going to have communities with financial interests in the performance of the system. I think you're going to see the marketing efforts greatly increased. You're going to see a bigger push for ridership and expanding memberships.

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Council Member Filseth: I hear a lot about push. I haven't heard much about pull. Sorry, just grilling you here.

Mr. Mello: I share your concern, but having a sponsor whose name is going to be attached to the system and could be judged by the success or failure of the system will add an incentive to the performance.

Mayor Burt: Council Member Berman.

Council Member Berman: Thanks for the presentation. I think this is exciting and interesting all at the same time. Got a couple of questions following up on Council Member Wolbach, just trying to wrap my head around the product and how it works. The first question is there's an additional fee for leaving your bike out of system. If I wanted to go to a friend's house where there wasn't a hub, but I also wanted to know that that bike would be there when I needed to leave, is there a way to reserve that bike or keep a hold on that for a cost?

Mr. Mello: Ryan can talk more about this. I used the grid system in Phoenix when I was there back in April. That's a SoBi bike system. I checked the bike out in front of my hotel. I located it on my smart phone, walked out, checked it out, rode to a coffee shop. I was able to lock it up and keep it under my name while I was in the coffee shop, and then come out, unlock it again. I returned it to a hub and got \$1 credit. Ryan can talk more about the specifics. I think you can also reserve the SoBi bikes via the app for a limited amount of time.

Ryan Rzepecki, SoBi Social Bicycle Chief Operating Officer: That's right. It's been fun watching you basically sell and then explain my product for the last half hour. That's right. There's both a reserve feature—you can see a bike and book it in advance and have it there when you get there. If you're taking an extended trip with multiple stops, you're able to put the bike on hold. Although, the meter is running while it's on hold. That's where the pricing model we should discuss because there's some things baked into our system that may not be reflected by that additional time. The feature does exist.

Council Member Berman: Another question that I had was membership fees. I've lost my slide. It was essentially a certain amount for unlimited 30-minute or under trips. There's an additional fee if it's over 30 minutes. If I did want to use a bike for a full day, I'd just have to make sure every 28 minutes to kind of check one in at a hub and then just check out another one. That would be a way to do a full-day tour of Palo Alto?

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Mr. Mello: Some people do that with a smart dock system. You'd have to be close to a dock with a smart dock system. With this, you could lock it up out of hub; you'd be charged the out-of-hub fee; and then you could check it out again. It may be a wash.

Council Member Berman: (crosstalk).

Mr. Mello: Yeah, it may end up being a wash.

Mr. Rzepecki: Sorry to—the idea of that trip fee and in people stringing together multiple trips equaling a full day's usage, I should point out that in many of our systems, the majority of our systems do an hourly rate that's prorated. That is something that, during the contract negotiation period, we can talk about with Motivate. Again, there's some nuances to our system. By the way, I should note that they actually operate our system in Portland. We have a 1,000-bike system there, where we're already partners and working together. Something like that that contemplates those type of use cases would be something we'd want to look at over the next two months and really nail that down during the contract.

Council Member Berman: The 350 for the Phase 1, does that include Stanford campus or is that not including Stanford campus?

Mr. Mello: Ideally we'd like to have some financial participation by Stanford in order to locate hubs and bikes on the campus. The boundaries of the 350-bike system have not been determined yet.

Council Member Berman: We don't want to—more is better as opposed to making them more spread out. It would be great to have a good strong system on campus as well. Thanks.

Mayor Burt: Council Member Schmid.

Council Member Schmid: Just a follow up on the hub and the grid. It seems to me that you're not oriented toward the last mile. A hundred Caltrain riders get off, hop on bikes, go to work. The bikes sit there until 6:00 P.M. when they catch the last train. You want them to be used in a variety of ways during the day. What happens if you work a little late, you want to catch that last train, you walk out and there's no bikes? They're all at the Caltrain station. Isn't that an issue?

Mr. Mello: We've actually talked about that. I think we're going to have to figure out some type of system to ensure that the bikes don't get unevenly distributed by Caltrain users. Ideally you would position a hub in a location that has users that are active all day. The Research Park may be difficult.

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There's a couple of destinations where the land use is pretty uniform. We probably want to find a mix of uses to place the hub so that we'd have somebody maybe going to Caltrain in the middle of the day that would return the bike.

Council Member Schmid: I'm trying to think if you want to associate these with Transportation Management Associations (TMAs), but TMAs have that last mile issue. Everyone wants to get from the mass transit to their workplaces. When they want to catch that evening train, there's got to be bikes there.

Mr. Mello: We're definitely going to have to think about how to make sure the bikes remain balanced throughout the day.

Council Member Schmid: The other question I had is your Slide 16 gives a view of the finances. You say \$1.1 million capital cost upfront, and then minimal operating costs. In Packet Page 542, where you have the cost for Motivate, they state total five year cost to City is \$6.8 million. Very top of Page 542, it's the next to last column.

Mr. Mello: That's the Staff Report from April of this year. That's not the updated number that's in the term sheet that's before you this evening.

Council Member Schmid: I noticed that. This is the only one that has City costs over five years.

Mr. Mello: That was before Motivate offered to operate the system for free. That would have had us covering the operating costs as well.

Council Member Schmid: Motivate is going to get \$5 million out of the users. Is that what they're implying? That's the cost of the system.

Mr. Mello: The \$6.7 includes capital. It was based on the smart dock system, which is more expensive. It also includes operations being funded by the City. If you look on Page 541, the very last row, that breaks out operations, revenue and net cost per year.

Council Member Schmid: It brings the cost to the City down to \$4.1 million. I guess the question is—\$4.1 right? That's what SoBi has for the City payment over five years.

James Keene, City Manager: Unless I'm misunderstanding. First of all this is old information and old data. The proposal is the City pays \$1.16 million in capital costs less \$171,000 grant, so a little under \$1 million. That pays for the 350 bikes plus roughly 35 stations. The ongoing ...

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Council Member Schmid: Yes, that's what they have here.

Mr. Keene: There is no more ongoing ...

Council Member Schmid: That's in the first year.

Mr. Keene: There's no five year cost to the City.

Council Member Schmid: Both Motivate and SoBi have City cost in there. One has \$6.8 million, and the other has \$4.1.

Mr. Keene: This is an old model.

Mayor Burt: That's the former proposal. It's not what's before us tonight. It does not apply. It does not apply.

Council Member Schmid: Someone is paying that money.

Mr. Mello: It's actually not a proposal. This was our best guess back in April, what a system would cost. Another important feature that I think we need to note is that the sponsor, Ford, is going to be covering quite a bit of the operating cost. A lot of the operating costs that you see on here are actually going to be covered by the sponsorship of the larger system.

Council Member Schmid: The larger system is also going to be operating in four or five nearby cities, each of which has a cost burden like that. They're laying out what, \$20 million? Where do they offset that with revenues?

Mayor Burt: I don't know whether it's purposeful for us to be looking at what the private parties are doing in their investment. It's really to look correctly at what's before us tonight, not some estimate that was 6 months ago of a different program. That's what's before us. It would be really efficient if we focused on that. Council Member Kniss.

Council Member Kniss: Three relatively easy questions. The Air Board had a lot to do with funding the not-too-successful program, I guess. This time did we go to them for any grants or are you figuring that the sponsor is going to be sufficiently involved?

Mr. Mello: The \$171,000 TFCA grant is actually coming from the Air Quality Management District.

Council Member Kniss: Through VTA?

Mr. Mello: It's through VTA, yes. The County funds.

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Council Member Kniss: Let's give the Air Board credit then. That's a good start. This is a pretty expensive experiment. Secondly, over the weekend I heard a lot about bike theft, which Jim spoke to earlier tonight. A lot about it, much more than I was aware of. Could you speak about this and bike theft? I think what I heard from one of you is, if it's really locked up sufficiently, it has two locks. Am I right?

Mr. Rzepecki: First off, overall in the industry the amount of theft for bike share bikes is incredibly low. We're talking about annual loss rates of 1-3 percent of the fleet.

Council Member Kniss: Can you explain why when it's a big problem with other bikes and other people?

Mr. Rzepecki: Yeah, absolutely.

Mr. Keene: They're not that cool first of all, really.

Council Member Kniss: They're boring bikes?

Mr. Rzepecki: His point is real. It's visually distinct. If you're stealing a consumer bike off the street, you could take it to a local bike shop or put it up on Craigslist. If you steal a bike share bike, there's no aftermarket. The only theft you might experience is like a joyriding or if somebody doesn't lock it properly. You don't really have that kind of opportunistic, "I'm going to make money off of it." In terms of security features, though, all of the removable parts are protected with a security fastener. You can't even steal the bike and part it out and sell pieces off of it. It has an integrated lock that is very secure and can't be cut with normal tools, and it has GPS tracking. If you are a bike thief, there are other bikes you're going to target, ones that have little cable locks or are of higher value. It's just not really targeted. The theft problem shouldn't be an issue, and it hasn't been an issue in any other major cities that we've been operating.

Council Member Kniss: We get a boring bike that won't get stolen, but everyone's dying to ride it, right?

Mr. Rzepecki: Yeah.

Council Member Kniss: This is really transportation. As Marc said, if you're going to be upping it every 28 minutes, I don't think frankly you're going to use it for the day.

Mr. Rzepecki: It's designed for short trips. It is bike transit really. It's not a bike that you want to do a 20-mile excursion on.

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Council Member Kniss: Did you talk at all with Google that has a very extensive bike on campus system?

Mr. Rzepecki: Years ago I met with them. I've also met with some of the other corporate bike share programs in the region. What's interesting with Google is they treat it like a disposable asset. They don't have any locking security on it. They do lose a good chunk of the fleet every year. They don't have any asset control. We have a program in Portland, Oregon, with Nike at the campus. In addition to the bikes downtown, we do have 400 bikes on their campus. They had previously unsecured bikes. They had a similar type of loss rate, and they've just introduced our system. The program manager is really happy to have that type of visibility and asset control.

Council Member Kniss: Do you have any figures on Portland? Eric earlier read you the 0.17 and could we get to 0.18. What is theirs?

Mr. Rzepecki: We were doing around two trips per bike per day in Portland. It's been incredibly successful. I think that basing that 0.17 that we see here, with five locations, 37 bikes, it's not incredibly useful. The amount of trips that you could take on it just wasn't incredibly useful. I think if you actually deploy something with the right scale, have the marketing and the regional buy-in, I think it's going to be a lot more successful. We've talked internally about hitting a metric of 1 trip per bike per day as being a good metric for success. I think we can definitely get that. I think if you guys are building out a bike network here, and we're tapping into all the corporate and Stanford University, I think we all want to work toward a goal that would exceed that. I think we'd all be pretty surprised and disappointed if we come back here, as you said, a year or two from now and had 0.18. I think we're doing the work that will guarantee we'll hit the targets that we want to hit.

Council Member Kniss: Thank you so much. Just one last question to Staff. Where do we get the 1.1 aside from other sources or other sponsors? Where does the 1.1 emanate from to begin with? Use Jim's contingency fund?

Mr. Mello: No, no. Well, I don't know. Can we have that? No, we have a capital improvement project, the Bike Plan Implementation Fund. Bike share is identified in our 2012 Bicycle and Pedestrian Transportation Plan as a program. We would intend to use the ..

Council Member Kniss: Our 2012? What year?

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Mr. Mello: The Bike Plan was adopted in 2012. One of the programs that is recommended in that Bike Plan ...

Council Member Kniss: We included it in that?

Mr. Mello: ... is to implement a bike share system. We have a CIP that's funded upwards of \$20 million over the next five years. We would propose pulling that \$1.1 million out of that project.

Council Member Kniss: Thanks.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: Thanks. A couple of questions. First, 35 stations and that's on Slide 7. Can I just look at that on the ... When I counted little dots, I ended up with like 11. You haven't decided where the rest of the stations go?

Mr. Mello: It's all of the dots. The blue, the black and the orange.

Vice Mayor Scharff: It says potential stations. It's the orange as well?

Mr. Mello: Yeah. Again, this is just a reference. This was a model that was done by the consultant to attempt to predict the size system we need in order to get the maximum amount of ridership at a cost/benefit ratio that makes sense.

Vice Mayor Scharff: Thirty-five stations, 350 bikes, that's what we're going to do. If we go over that, we have to pay \$100,000 per bike, right?

Mr. Mello: \$100 ...

Vice Mayor Scharff: On operations per year.

Mr. Mello: It would be \$420,000 per year for another 350 bikes. It's \$100 per bike per month.

Vice Mayor Scharff: Do you expect us to go to a second phase?

Mr. Mello: I think we would look at the performance of Phase 1, and then we would come back to you when we hear from MTC whether we have secured the capital funding that would cover the bulk of the capital costs. We would have a discussion with Council as to whether it makes sense to move forward with a Phase 2.

Vice Mayor Scharff: Why would Motivate not cover those expenses?

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Mr. Mello: Motivate actually proposed to cover the operations of a larger system, but we did not think it was wise to move right into a larger system, because the 350-bicycle system is what was modeled to be the most effective in Palo Alto.

Vice Mayor Scharff: Shouldn't we negotiate this later? If they're willing to do it, why wouldn't we want to leave open the possibility of having more bikes and having someone else pay the operating costs?

Chris Corrao, Senior Planner: During the negotiations with Motivate, part of our goal was to secure the ability to have SoBi bikes operated on the Peninsula as part of the larger Bay Area Bike Share System. This was one of the negotiating points for Palo Alto and also on behalf of neighboring cities. SoBi bikes are a different type of equipment that's being used elsewhere in the Bay Area region. It's a bit of a risk for Motivate.

Vice Mayor Scharff: I'm looking at the Palo Alto term sheet here. Could you just run through—it's a little confusing to me how it actually works in terms of the advertising revenues. It looks like sometimes we get some of these revenues or sponsorships, most of the time we don't. That obviously could be a big number. Maybe if you could just sort of explain that.

Mr. Mello: Do you want me to walk through each row or start with one particular row?

Vice Mayor Scharff: I guess I just wanted—maybe you can't do it off—a holistic approach. What happens is on the 350 stations, they get all the ad revenue on each bike is what I took out of that. We can sponsor some of the stations, but there's an overall sponsorship. It was a little confusing. Maybe you could just say it.

Mr. Mello: First of all, we are responsible for the capital investment, 350 bicycles, SoBi smart bikes. Anticipated launch date is spring of 2017. It'll be a 5-year contract with two additional three year renewal terms.

Vice Mayor Scharff: Who gets to make those renewal terms? Is it our option or is it theirs?

Mr. Mello: I think it would be a mutual—it says mutual agreement.

Vice Mayor Scharff: Then it's not an option. Either side can say no.

Mr. Mello: Yes. An important note is this is just the term sheet that we're bringing to you this evening. Any items you want us to take into negotiations we can certainly do that. If there's anything that draws your

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attention, please let us know. Operating fees, Motivate will cover the cost of the first 350 bicycles. Additional bikes, the operating costs will be \$100 per bike per month subject to a Consumer Price Index (CPI) adjustment. Palo Alto will be responsible for the operations of 351 and above. Motivate will have the exclusive right to sell title and secondary sponsorship for the system. Assets that may include sponsorship recognition include the bikes, kiosks, racks, ad panels, mobile app and docks. Palo Alto may fund the cost of capital operations through selling local station sponsorships. The way this would work is the entire system would be branded by the title sponsor. It would be X bikes. The baskets on the bikes would be branded, the bikes themselves, the app. We would be able to have City of Palo Alto hub. We would be able to sell the rights to naming a hub in front of City Hall or on University Avenue. We could secure a sponsor that would be able to name that hub. The larger system would still be under the title sponsor. We would be able to get revenue from individual hub sponsorships. Motivate will keep all of the title sponsorship, secondary sponsorship and user revenue generated by the system. Palo Alto would be able to keep the funds raised through the local station sponsorship. Annual pricing will match the broader regional system. We don't have the ability to determine the pricing of the system for memberships. Siting and installing, Motivate will fund the costs of installation, but we will help them secure permits and help them with siting and the public involvement process in order to determine where the stations will be located. We will waive permit costs. They would need to get an encroachment permit from the City of Palo Alto for each station. The current term sheet says that the City would waive the cost to the encroachment permits. We'll reimburse them \$4,000 per station to develop the site plans, conduct community outreach and all the other necessary. That's included in the \$1.1 million. Other key components. The regional cities. Motivate will determine by October 31st whether the other cities will get the same exact deal that we got or whether those cities will be able to sell the entirety of the sponsorships in order to cover operations. The other cities would also be able to have a larger title sponsor and use some of that funding to cover operations, not just the stations which we would (crosstalk).

Vice Mayor Scharff: The other cities will get a better deal.

Mr. Mello: No.

Vice Mayor Scharff: Because they could have a title sponsor. We can't have a title sponsor.

Mr. Mello: If the title sponsor for the larger system declines to cover operations in Menlo Park or Redwood City, Motivate will let them know by

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October 31st. Then, those cities would be eligible to sell all of the naming rights to the system in order to help recoup some of the cost. We'll be getting free operations in entirety for the 350 bicycles.

Vice Mayor Scharff: Thanks.

Mayor Burt: Council Member DuBois.

Council Member DuBois: I have one top level question. I think when you talked to us before, we were talking about SoBi. Why isn't SoBi operating the system? Why is Motivate involved?

Mr. Mello: This is kind of our dream scenario. Back in October of 2015, as a group Redwood City, Mountain View, Palo Alto decided that the smart dock system was not appropriate for the Peninsula. It's not high density enough. The capital costs are a lot more intensive. The one issue with going with a SoBi system and creating an entirely new Peninsula bike share system was that we would then have to set up some type of organizational entity to oversee operations. We would also require folks to secure new memberships. People in San Francisco would not be able to come and use our system with the membership that they had.

Council Member DuBois: SoBi doesn't do that themselves?

Mr. Mello: No. If we had gone with a SoBi system with a separate operator or had SoBi operate it, we would not be able to be part of the greater Bay Area Bike Share System without some type of agreement between our sub-regional bike share system and the larger Bay Area Bike Share System. With what's before you this evening, a bike share member in San Francisco will be able to come to Palo Alto and use our system. Palo Altans who have a membership will be able to go to San Jose, Oakland and Berkeley and use that system. There will be complete interoperability, but we have the flexibility and the lower cost of the SoBi system.

Council Member DuBois: Council Member Kniss mentioned Google. I actually had the same question. Have we talked to Google about how they financially look at their bike share and kind of this idea of having ugly bikes and you don't worry about theft and have really low operating costs? Did we look at that as an option?

Mr. Mello: I believe Palo Alto tried that a couple of decades ago. I forget. It was the white bikes. I've heard stories about it. I think a lot of them were lost, disappeared. I don't know that we would want the responsibility of responding to complaints about bikes that were abandoned on the side of the road. We would then be put in the place of maintaining the bicycles.

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Under this agreement, Motivate will handle all the maintenance and (crosstalk) and operations.

Council Member DuBois: It's really a financial analysis. I was just wondering. Obviously you save a lot of costs, but then you have to spend that money picking up the bikes. I was curious if we looked at that tradeoff. I really did want to understand the financial assumptions a little bit better. Do we know what the life expectancy of the bikes are?

Mr. Mello: Five to seven years is the average.

Council Member DuBois: There was a cost in here of \$5,700 a bike. Is that right? Page 653.

Mr. Mello: The cost before you tonight is \$1,705 per bike. The additional cost is the station installation. That's how we get to the \$1.1 million.

Council Member DuBois: That was spread out over all the bikes. The \$100 per bike per month when we go over 350 bikes, does that include the first 350 or is it just the incremental above?

Mr. Mello: It's incremental. The first 350 will be free operations for the life of the contract.

Council Member DuBois: It said we potentially would need 0.5 to 1.0 FTE to operate this on City Staff. What would City Staff do that Motivate wouldn't do?

Mr. Mello: They would need to monitor the contract performance. We're anticipating putting in certain performance measures, trips per day per bike. A certain percentage need to be in good operation, a good state of repair. There's going to be certain performance measures built into the contract that we'll need to monitor. I also see us playing a fairly significant role in assisting with marketing, meeting with different entities to try to achieve buy-in and financial support for the system to go beyond 350 bicycles. I think there's an opportunity to coordinate bike share and development review and TDM and some of our TMA efforts. I don't necessarily know that it would be an entire half-time or full-time person; that was our best estimate. I think it would be naïve to think we wouldn't need a Staff person to keep an eye on the system and keep an eye on our \$1 million investment just to make sure that we're meeting those performance goals that we set.

Council Member DuBois: That Staff person is for Phase 1, not after seeing if Phase 1 works.

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Mr. Mello: We're anticipating that we would need to bring either a half-time or full-time person in next Fiscal Year. The system would roll out ideally in June of 2017, and then we could have a Staff person in place shortly thereafter.

Council Member DuBois: When you talk about Ford as the sponsor, are they basically paying a lot of that advertising revenue? Is that what you mean by sponsor?

Mr. Mello: They're supporting the operations. They're filling that gap that's typically filled by public funds.

Council Member DuBois: Are they the title sponsor then, it'll say Ford?

Mr. Mello: They're the title sponsor for the greater Bay Area Bike Share System. It has not been confirmed yet whether they will be the title sponsor for the Palo Alto system. In all likelihood, I would be surprised if they didn't sponsor the entire Bay Area system.

Council Member DuBois: Basically the millions of dollars that Council Member Schmid was talking about is covered by that advertising revenue it sounds like.

Mr. Mello: If we didn't have a title sponsor and we wanted to break out on our own and create our own system, City Staff would have to serve as kind of a rep and try to secure a sponsor to cover our operating costs. With this arrangement, Ford is covering it through Motivate.

Council Member DuBois: It's not really free; it's just paid by ad revenue that we don't get. Motivate is taking that ad revenue.

Mr. Mello: Yeah, essentially, by sponsoring the system it's one big advertisement. It could be akin to ad revenue.

Council Member DuBois: You touched on this. Did we attempt to negotiate for any of that ad revenue when we go above the 350 limit?

Mr. Mello: The \$100 per bike per month is a really good deal. If we were to break out on our own and secure a sponsor, we would likely be responsible for more than \$100 per bike per month. The comparables are in the study that was attached to the April 25th Staff Report. That looks at other systems and what the cities are putting in and what they have secured from sponsorships. We've done a check to see whether it would make more sense for us to go out on our own and actually take in the ad revenue and

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the sponsorship. It doesn't. This is actually a better deal than it would be if we had to secure the sponsors on our own to cover operations.

Council Member DuBois: When we get to comments, it sounded like they offered to cover even larger operating costs. It sounds like financially it makes sense. My last question. We had that five year plan in that old report. Do we have a business plan that shows what steady state would look like over a number of years when you have to replace bikes and how big would the network get? I'd really like to see ad revenue, rental revenue and then all the costs.

Mr. Mello: We can include that in the Staff Report that comes back with the contract. We can do a pro forma to show—because we're going to experience a certain amount of loss and we're going to have to replace bicycles. We can build in the Staff resources if that would be helpful.

Council Member DuBois: I think that'd be really helpful just to see it all laid out in one place. Thanks.

Mayor Burt: I just have one question. As we were trying to get a sense of the greater utilization rate that we'd anticipate from this program, are there cities where they changed out from the older Gen 1 smart dock to the SoBi system or an equivalent to SoBi and saw some kind of comparison in terms of utilization rate as a result of changing the systems?

Mr. Mello: I think Ryan may be able to speak a little more to this. A classic example of that is Washington, DC. They had a very old school bike share system. They were one of the first cities to roll it out. It was almost a complete flop. Then they rolled out Capitol Bike Share. They went much larger and brought in new equipment. Now it's one of the best performing systems in the entire country. They did a reset after their first system didn't work out so well. They've reaped a lot of benefits from rolling out a larger system.

Mayor Burt: Let's move on. It's getting late, and we have four members of the public, five, to speak. If anybody else wishes to speak, they need to bring a card forward now. Our first speaker is Colin Roche, to be followed by Tom Harrington. Welcome.

Colin Roche, Swiftmile: Hello, Council Members, Mr. Mayor. It's a true honor to be here. I'm a local Palo Alto, went to all the schools here, graduated from Palo Alto High School. I want to first off start with the great comment that you made, Mr. Keene, about how electric bikes are the wave of the future. The future will be televised. They're not only going to be televised, they're going to be ridden, they're going to be shared and they're

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going to be talked about around the world if we can adopt something that's exciting and innovative here in Palo Alto. We are the capital of innovation around the world as far I'm concerned. Our company is Swiftmile. We're building an electric bike transit system. Our system is all based on getting the non-bikers to bike. I think what you're looking at today is actually a great solution. Nothing bad to say whatsoever about what you're considering to be implemented. When you talk about an exciting and innovative way to get around for that true last mile program, we're developing that. We're actually going to be deploying that in many similar areas that's been mentioned today in regards to Stanford Research Park and some of the local businesses here. As I mentioned, the way we see ourselves is more in the position of getting the non-biker to bike. One bike user per day is great. Getting to two, that sounds like something that's the goal. We're talking about getting three to five bike users per day. The specific reason is people don't want to sweat to get to work. Studies show that if you have to go more than a mile or two on a bike, a lot of people just simply don't use it. They want to be able to tap into something that's innovative such as these electric bikes that have really exploded upon the scene in the last really year or two. That bike expo, I think, was a great testament to it. My whole point in coming today is not so much to be a roadblock whatsoever. As you're looking at Generation 2, we're building Generation 3 right here in our own backyard. We'll have data to share very soon, hopefully to support some of the comments that suggested about how we could actually have a system that everybody's using. Not everybody, but a lot more people are using. Being something that's a role model that we can speak to across California and the United States. In closing, what I want to make sure is that you realize I want to put Palo Alto on the map for innovation, for taking advantage of all the different things that's happened in the industry with electric bikes. Our whole system is based on tap, rent and roll. It's very simple to use. We've got all the GPS tracking. When you're done, you get all the great data. I hope you'll consider us to be a conversation in the same discussion. We at some point could roll something out here shortly. Thank you very much.

Mayor Burt: Thank you. Our next speaker is Tom Harrington, to be followed by Jamie Jarvis. Welcome.

Tom Harrington: Good evening, Mayor, Council, Staff. My name is Tom Harrington. I chair the Mountain View Transportation Management Association, MVgo. We support the work that Palo Alto has done along with partners Motivate and SoBi and encourage the City Council to—sorry. I'm going to read this directly. I apologize for that. Encourage the City Council to proceed with directing Staff to return to the City Council with a contract to implement a SoBi smart bike system operated by Motivate as part of the Bay

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Area Bike Share System, structured to allow participation of other Peninsula cities and private entities. We further encourage the Ford/Motivate partnership to make the program available to other Peninsula cities. To foster the idea of a regional bike share, MVgo will be hosting an informational forum on the Intuit Mountain View campus on Monday, October 17th. Please visit www.mvgo.org for details of the schedule. Thank you.

Mayor Burt: Thank you. Our next speaker is Jamie Jarvis, to be followed by Adina Levin.

Jamie Jarvis: Good evening, Council Members and Mayor. My name's Jamie Jarvis. I'm the Transportation Demand Manager for Stanford Research Park. The proposed expansion of bike share that you saw tonight in Palo Alto will provide the scale and locations necessary to form an effective bike share network in Palo Alto. We commend City of Palo Alto Staff for developing a proposal that uses state of the art technology to maximize the flexibility and cost-effectiveness of bike share in Palo Alto while maintaining compatibility with the regional bike share system. This is truly a best case scenario, and we look forward to bringing bike share to publicly accessible locations within Stanford Research Park. The Stanford Research Park Bicycle Champions, a group of active and engaged bicycle commuters, are excited about the potential of bike share to provide convenient connections to public transit and facilitate midday trips to dining and shopping destinations throughout Palo Alto. Stanford Research Park companies, many of whom offer generous and effective transit subsidies to their employees, are enthused about the potential of bike share to provide a convenient, low-cost and flexible last-mile connection between Caltrain and their work sites. In addition, a robust bike share system along the Peninsula reduces the need for train riders to transport bicycles on board which will improve the efficiency of Caltrain through increased passenger capacity and decreased loading times. We strongly believe the synergy between bike share, Caltrain and the efforts of the Stanford Research Park Transportation Management Association will attract new transit riders and convert occasional riders to frequent users, thus achieving important trip reduction benefits. Stanford Research Park looks forward to working with the City of Palo Alto to realize the full potential of bike share in our community. Thank you.

Mayor Burt: Thank you. Adina Levin to be followed by our final speaker, Andrew Boone.

Adina Levin: Good evening, Council Members. Adina Levin with Friends of Caltrain supporting Caltrain and sustainable transportation in Palo Alto and the Peninsula corridor. It was great to be out at the bike expo this weekend,

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seeing whole families and people who obviously may not have been out on a bike recently, out biking. The bike share system will be complementary to the infrastructure investments that Palo Alto has been making and continues to make. It's highly complementary to public transit like Caltrain and also things like the City's investment in the shuttle system. Imagine somebody taking a shuttle into Downtown for lunch and realizing, "I need to pop over to Whole Foods to pick something up, and I only have 10 or 15 minutes to do so." It really is complementary to the other modes. As the speaker from the Research Park was saying in terms of being able to use this system not only for first and last mile but also for lunches and errands. It's great to see the regional cooperation. The SoBi system is a much better match for our local land use. All of these things are a really good fit. One concern I have, echoing several Council Members, is the pricing. Some of our use cases, we have the lunch and errand use case. San Mateo, the first Peninsula use of the SoBi bikes, has a slightly different price where for \$15 a month you have one hour per day or \$5 an hour. It winds up being much more accommodating if you need to go for lunch for an hour or to run an errand. Thirty minutes is too short for lunch or errand, and you wind up getting penalized for doing a normal short trip. I would suggest that for the SoBi model and for our land use and for some of the expected use cases to negotiate for a pricing system—not for an all-day bike rental. That's where you can go to the bike store and rent a bike. For something that also supports that lunch and errand use case as well. In sum, very complementary to the other investments that the City is making and giving people transportation alternatives. Hope that a slightly more flexible pricing structure can be negotiated. Thank you.

Mayor Burt: Thank you. Our final speaker is Andrew Boone.

Andrew Boone: Good evening, Council Members. My name is Andrew Boone. I bicycle for most of my trips, so I am very glad to see a practical bike share system coming to Palo Alto soon. The pilot system was simply way too small to really be a success. With 350 or 700 bikes, then you have a critical mass of stations and bikes. There are lots of destinations from Palo Alto, from Downtown that you've got to have a bike to get there. It's just too far to walk to a lot of jobs. I think it will be successful. However, I'm a lot more skeptical than the previous speakers on the terms under which you're getting a big bike share program. This program is not revenue neutral at all. It's a multimillion dollar investment by the City. It surprises me to see written in the terms that the City would purchase all of the bikes, all 350 bikes for \$1 million. That then will be used as advertising space for someone else to make money. That's not the deal that Motivate had with MTC for the big Bay Area Bike Share System. Motivate provided the bikes in that case. That seems a lot more logical. They're the ones advertising on

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the bikes and receiving the revenue. That's the first thing. Secondly, it's going to take another employee or half of an employee to manage such a system. You're not getting any of the revenue to support that. It's an ongoing cost. I think bicycling and bike share is a good thing to invest in, of course. I think millions of dollars investing is appropriate, but not when you don't have to do it and it's going to add up to a significant amount of money and it's taking away from funds that the City has to invest in things like infrastructure. You're choosing this over doing some other improvements because of the way a contract is structured. I think you should ask for part of the revenue for other reasons. If you receive part of the revenue, say 5 or 10 percent, whatever, you know how much total is being made there. You know for the next long-term contract what you are dealing with. Also, you could ask for in the contract data. I didn't read anything in the Staff Report, but it would be very useful to have access to the actual data. The public would like to have access to the data as well. We do have access to the Bay Area Bike Share System data, so we can analyze where in the system the bikes are being used the most, even down to the station. That data should be available for this system in Palo Alto as well. I personally think it's a bit problematic to have Ford Motor Company be a sponsor of a bike share system in Palo Alto because they're selling cars and trucks. Their revenue, their money comes from selling vehicles which undermines the system that you're promoting. If we're promoting bicycles, driving a Ford car is an opposite choice. We're supposed to be moving away from fossil fuels and away from dependence on automobiles and not advertising for them. Thank you.

Mayor Burt: Council Member DuBois.

Council Member DuBois: I'd like to move the Staff Motion.

Vice Mayor Scharff: Second.

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

- A. Direct Staff to return to the City Council with a contract to implement a 350-bicycle, Social Bicycles (SoBi) smart-bike system, operated by Motivate, LLC as part of the Bay Area Bike Share System (BABS); and
- B. Find the Project exempt from review under Sections 15061(b) (3) and 15303 of the California Environmental Quality Act Guidelines.

Mayor Burt: Would you like to speak to it?

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Council Member DuBois: Yeah. I support this idea. I like the technology. They've used it in other cities. I think we should do a 350-bike Phase 1. I am concerned about locking ourselves into an expensive contract. It's kind of a free taste, but then it costs you more once you go over the 350. It's not a good incentive. The more successful we are and the bigger our network is, the more the costs escalate. I know you feel like it's a great deal. I'd like to see maybe some alternative contract approaches, if you guys continue to negotiate. We're giving them ad revenue that covers the operating expenses for the first 350 bikes. I'm thinking along the lines of the last speaker. As the network gets larger, the ad revenue gets larger, the ads on the mobile app, all that stuff. There's a network effect. I think we should either try to negotiate if we pay the operational costs, we get a large percentage of that ad revenue or, if they keep all the ad revenue, then we have very low or no operational costs. I think getting access to some of that data is also a really good idea. The other point I wanted to make was I hope we can find places for these hubs, ideally partnering with private companies where it's off-street locations to minimize removing parking spots. I also like the idea of evaluating different trip lengths as Adina Levin suggested. As I asked before, I'd really like to see a financial plan when we start to go to contract on this. I like the idea; I think we should try it. I'm just concerned about locking ourselves into something that could turn out to be a lot more expensive than we think.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: I agree with everything Tom just said, to start with. When you said that we could actually have gotten a bigger system and they would pay for the operating costs of the bikes, I actually thought that may make more sense, especially since—are we planning on going to 700 bikes in 2018? I read that in a couple of letters.

Mr. Mello: We applied for an MTC grant to cover up to, I think, 83 percent of the capital costs to expand by another 350 bikes. I think we would only do that with your approval after we receive the grant award from MTC. That's why we have to wait until 2018, because the grant's not available until that point in time.

Vice Mayor Scharff: That's really the issue. We're funding the first million whatever of these bikes. You think to expand it we can get MTC to pay hopefully the next million. That offsets the operating costs. That was your thinking behind doing 350 as opposed to 700 now and have them pay for all the operating costs for the 700, but we'd pay \$2 million up front.

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Mr. Mello: Correct. When I came to you in April, I told you the SoBi system cost \$1 million, if you look back at the Staff Report in April. That's what we're bringing to you tonight.

Vice Mayor Scharff: We did look at whether or not it made more sense financially to spend the \$2 million now and have them pay the operating costs for the entire system of 700 bikes. You get a bigger, faster network effect and do that.

Mr. Mello: They only offer it to operate 510 bicycles, and that was with their current equipment. One of our negotiating points was that we wanted the SoBi equipment. They went out on a limb and made us that offer, because currently they don't operate systems with two different types of equipment anywhere in their network. This would be the first.

Vice Mayor Scharff: Thanks. I know you put a lot of effort into it. It actually seems fairly well thought out. I actually appreciate all the hard work you put into this. One other point I had that Tom didn't mention that I was a little concerned about. We're going to spend \$1 million roughly. We have five years. If for some reason they don't want to continue moving forward after five years, where does that leave us? I was concerned about us not having the ability to say we want to continue this process after five years. What that means if they don't want to continue it.

Mr. Mello: Assuming the bikes are still operable and can be used, we could operate the system ourselves or find another operator.

Vice Mayor Scharff: Without their support, that's probably not going to work.

Mr. Mello: We would need to find some way to cover the operating costs that would be added.

Vice Mayor Scharff: I'm really just asking you if you want to look at it in negotiations and see if you can come up with something that limits our risk on that.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: I'll be supporting the Motion. I do have a couple of questions and a couple of concerns. At this point, I want to be really clear. This isn't a contract that we're approving tonight. The contract is not a done deal, just because we're saying we're okay with moving forward with negotiating a contract doesn't mean we're going to support it when it comes back. We still have that option. I'm going to be looking for some things in

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that contract that alleviate some of the concerns that we're hearing. I agree with the comments from the maker and the seconder. Continuing on this question of use cases that I alluded to earlier in my questions, a couple of members of the public have brought. I'm going to bring up just three examples. If you have an answer for me now, great. If you don't, I'll want something similar to this clarified when this comes back. Use Case 1. Let's say my colleague Marc wants to check out a bike from a hub. He lives Downtown. There's almost certainly going to be a hub somewhere near him. He wants to bike over to a meeting that I'm hosting at my house in the Palo Verde neighborhood, which is a place listed on the current map. Again this is tentative. It's totally in a desert here; there's nothing in Palo Verde at all, hardly nearby. He comes over, two hour meeting at my house. We finish up the meeting; he bikes home. It's two 20-minute trips with a two hour gap in between during which it's held. How much is that going to cost him? Second Use Case. A City employee takes Caltrain to work, which is great. We're trying to encourage more of that. City employee takes Caltrain to work. After work, they want to get some exercise, picking up on our Healthy City Healthy Community initiative. They decide they want to bike over to the Baylands. We have a bike bridge now. Not everyone (inaudible) bike bridge that will get him over there. They bike over to the Baylands; they come back. Total ride maybe hour and 15 minutes of riding. How much is that going to cost them? Use Case 3. Let's say hypothetically we do set up a bike hub somewhere in the Palo Verde neighborhood. I pick up a bike near my house, ride it over to say Pete's Coffee and Piazza's, grab some coffee, get some groceries, hold the bike there so that it doesn't disappear while I'm doing my shopping because I want to make sure I've got something to carry my bike home on. I bike home, drop the groceries at home, drop the bike back at the hub near my house, and then walk the couple of blocks back to my house. Total trip maybe hour and a half, two 5-10 minute rides with maybe an hour or 45 minutes in between for running the errands. How much is that going to cost. Again, if we have some ballparks, that would be great to hear tonight. If not, I'd like ...

Mayor Burt: Let's have them come back. That's very specific.

Council Member Wolbach: It was not my expectation that we would have that tonight. That's why I'm mentioning it now during comments. My point is those kinds of use cases that are not just somebody using it strictly as get off Caltrain and then ride the last 15 minutes to their job. Those other use cases, which are important to spread biking to more non-bikers in Palo Alto, like myself currently, I think that's important to see. That's going to be influential in my decision when we see this contract come back. Thank you.

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Mayor Burt: I'm going to be brief. Under most of those use cases, it's real simple. Get your own bike. It works better. It's really the way to go. Let's not make this thing over-complicated. There are certain use cases that are really right for bike share programs, and there are a lot of other use cases where you ride your own bike. Most of them, I would say, for those of us in town. We can over-analyze this and steer it sideways from what it's actually focused on. I think we should stay on its intended purposes and judge it on that basis. Let's vote on the board. That passes unanimously on a 9-0 vote. Thank you all. We look forward to hearing back on it.

MOTION PASSED: 9-0

13. PUBLIC HEARING: Adoption of an Urgency Ordinance Amending the Urgency Interim Ordinance (Ordinance 5325 Extended by Ordinance 5330) Preserving Ground Floor Retail Uses on a Citywide Basis to Allow Educational Uses on the Ground Floor of Parcels Zoned RT-35 Along Alma Street and Finding the Amendment Exempt From Review Under the California Environmental Quality Act (CEQA) Pursuant to State CEQA Guidelines Section 15061(b)(3).

Mayor Burt: Our final item is adoption of an Urgency Ordinance amending the urgency interim Ordinance which preserved ground-floor retail uses on a Citywide basis and would now allow educational uses on the ground floor of parcels zoned RT-35 along Alma and finding the amendment exempt from CEQA. Welcome, Director Gitelman.

Hillary Gitelman, Planning and Community Environment Director: Thank you, Mayor Burt and Council Members. Hillary Gitelman, the Planning Director. As you know, the City Council has adopted an Urgency Ordinance to preserve ground-floor retail uses throughout the City. In late August, we heard from several property owners who have found this Citywide approach problematic. They are property owners who have ground-floor spaces that are outside of our commercial cores. At that time, the City Council suggested that we allow educational uses on Alma Street where two of the properties were located. We've prepared a draft Ordinance that would make that happen. This Ordinance is very specific. It would not change other terms of the Urgency Ordinance which would remain in effect until April of next year. Between now and then, we'll be bringing two permanent Ordinances back to you, one about Downtown and one about the balance of the City. We're looking for your support this evening on this very limited modification to the existing Urgency Ordinance. I'd be happy to answer any questions.

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Mayor Burt: I'd encourage everyone, especially at this hour, to be focused. Let's not ask extraneous questions nor make extraneous comments. Vice Mayor Scharff.

Vice Mayor Scharff: Since we had discussions previously, can I just make a Motion?

Mayor Burt: We have a Public Hearing. No, you can't. Council Member Wolbach.

Council Member Wolbach: I was going to ask the same question.

Mayor Burt: Any other questions? At this time, I will open the Public Hearing—I have no speaker cards—and close the Public Hearing. Vice Mayor Scharff.

Public Hearing opened and closed without public comment at 11:18 P.M.

Vice Mayor Scharff: I'll move approval.

Council Member Wolbach: Second.

MOTION: Vice Mayor Scharff moved, seconded by Council Member Wolbach to adopt an Ordinance amending interim protections for ground floor retail uses to provide a limited exception permitting conversion to private educational facility, and finding the amendments exempt from review under the California Environmental Quality Act.

Mayor Burt: Motion by Vice Mayor Scharff, second by Council Member DuBois. Would you like—I'm sorry. Council Member Wolbach. Would you like to speak to your Motion?

Vice Mayor Scharff: Just briefly. I think we discussed this extensively last time. I haven't changed my mind. I think we should just move forward.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: No additional comments.

Mayor Burt: Anyone else? Council Member Holman.

Council Member Holman: I also haven't changed my mind. I still support this sustaining retail use, as Director Gitelman had supported the Council's interim Ordinance previously. The reasons, I won't go through them all again. The reasons are because I think there are certainly businesses that would like to be in these less than core retail locations, that cannot afford

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the core retail locations. We can support our embryonic retail uses. Another thing that causes me to still support that same position is since the last meeting and this one, I actually encountered someone that I actually happen to know to some extent, who actually as a retail use had tried to rent that space. They were offered a very high price for rent. It's not that nobody in retail wants to rent those spaces.

Mayor Burt: Council Member Schmid.

Council Member Schmid: I'm a little skeptical of this. Just before the retail Ordinance comes to us, we are granting a waiver for educational purposes. Maybe it turns out to be code training. That then becomes a permanent waiver when the new retail Ordinance comes out in three or four months. One of our goals with this area is to do mixed use. It's a good area for denser housing. To grant a permanent waiver in the short term before we have our full retail Ordinance doesn't seem to make sense.

Mayor Burt: Council Member DuBois.

Council Member DuBois: I agree with almost everything Council Member Holman said. I feel like this is spot zoning. I haven't changed my mind since we discussed it before either. I won't be supporting the Motion.

Mayor Burt: Let's vote on the board. That passes on a 5-4 vote with Council Members Schmid—I'm sorry.

Council Member DuBois: (inaudible)

Ms. Gitelman: As an urgency Ordinance, it requires a supermajority. I think it's seven votes.

MOTION FAILED: 5-4 DuBois, Filseth, Holman, Schmid, no

James Keene, City Manager: Aren't we coming back with what you guys asked us to come back with quickly?

Council Member Wolbach: On Page 2, it says requires eight votes.

Ms. Gitelman: Council Members, the Motion fails as an Urgency Ordinance. We can take it to the Planning Commission and bring it back to you in some more time as a non-urgency Ordinance. Although, we'll have to look at that to be sure we can amend an Urgency Ordinance that way.

Mayor Burt: When would the permanent Ordinance be considered?

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Ms. Gitelman: We're having a discussion with the Council per your direction on the Downtown retail protections on the 17th of October. That's to get your direction in preparation of preparing an Ordinance that would go then to Planning and Transportation Commission and back to the Council.

Mayor Burt: That's the Downtown?

Ms. Gitelman: Yes. It could include this area. It's Downtown and South of Forest Area (SOFA).

Mayor Burt: It is Downtown and SOFA, not just Downtown?

Ms. Gitelman: That's correct.

Mayor Burt: It would come to us on, you said, October ...

Ms. Gitelman: For discussion on October 17th. Based on your discussion, we'll prepare an Ordinance, bring it to the Planning and Transportation Commission hopefully in December, and get back to the Council early in the new year.

Mayor Burt: Unless we have a Motion to direct that this go back to Planning Commission—could we even take that up tonight if we wanted to?

Molly Stump, City Attorney: Sure.

Ms. Gitelman: The process we're talking about effectively brings the whole Ordinance to the Planning Commission in the timeframe that we would be looking at.

Mayor Burt: I understand that. My question was to give the Council its alternative. I wanted to establish that the second alternative was even permissible. We could do the first alternative, which was to have it go through—this narrowly go to the Planning Commission as a non-urgency Ordinance or to await the process that was just described to us beginning in mid-October. It sounds like we would probably want to take it all up as it's scheduled. Is that correct? Unless we have a Motion otherwise, that'll just happen. That concludes this item. Thank you.

Mr. Keene: Mayor, are you adjourned? I'm sorry.

Mayor Burt: We now have—I was just looking over the Staff Report and looking for the—in hindsight it's clear that the requirements for Urgency Ordinances on the supermajority. I just was trying to find it in the Staff Report so that everybody understood that in advance. I'm sorry?

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Vice Mayor Scharff: Where is it in the Staff Report?

Mayor Burt: I was looking. That's what I was saying.

Council Member Wolbach: It's on Page 2 of the Staff Report at the bottom. Right before policy implications.

Mayor Burt: Thank you.

Inter-Governmental Legislative Affairs

Mayor Burt: Our final items are Intergovernmental Legislative Affairs. I'm not aware of any.

Council Member Questions, Comments and Announcements

Mayor Burt: Council Members Questions, Comments and Announcements. Does anyone have any? On that note, the meeting's adjourned.

Adjournment: The meeting was adjourned at 11:25 P.M.