



# CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Special Meeting  
December 14, 2015

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:01 P.M.

Present: Berman arrived at 5:03 P.M., Burt, DuBois, Filseth, Holman, Kniss, Scharff, Schmid, Wolbach

Absent:

## Closed Session

### 1. CONFERENCE WITH LABOR NEGOTIATORS

City Designated Representatives: City Manager and his Designees Pursuant to Merit System Rules and Regulations (James Keene, Molly Stump, Suzanne Mason, Dania Torres Wong, Alison Hauk)

Employee Organizations: Palo Alto Police Officers Association (PAPOA); Palo Alto Police Managers' Association (PAPMA); Palo Alto Fire Chiefs' Association (FCA); International Association of Fire Fighters (IAFF), Local 1319; Service Employees International Union, (SEIU) Local 521; Management, Professional and Confidential Employees; Utilities Management and Professional Association of Palo Alto (UMPAPA)

Authority: Government Code Section 54957.6(a).

Mayor Holman: We will consider going into Closed Session to ...

Council Member Kniss: I move we go into Closed Session.

Vice Mayor Schmid: Second.

Mayor Holman: I should announce it first, shouldn't I? To go into Closed Session regarding labor negotiations regarding SEIU, PAPOA, PAPMA, FCA, IAFF and Utilities Management, UMPAPA. Now.

Council Member Kniss: I move approval. I move going into Closed Session.

Vice Mayor Schmid: Second.

Council Member Kniss: I did it already.

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**MOTION:** Council Member Kniss moved, seconded by Vice Mayor Schmid to go into Closed Session.

Mayor Holman: Motion by Council Member Kniss, second by Vice Mayor Schmid. Vote on the board please. That's approved on an 8-1 vote with Council Member Berman absent. We'll go into Closed Session.

**MOTION PASSED:** 8-0 Berman absent

Council went into Closed Session at 5:02 P.M.

Council returned from Closed Session at 6:23 P.M.

Mayor Holman: The Council has returned now from Closed Session with no reportable action.

## Special Orders of the Day

### 2. 2015 City Manager Year in Review.

Mayor Holman: Our next item on the Agenda is our annual presentation by the City Manager, the 2015 City Manager year in review as a Special Order of the Day. Jim.

James Keene, City Manager: Thank you, Madam Mayor, Council Members. I actually always enjoy being able to do this with you all even though, like everything else your Staff is working on, believe it or not we never have enough time, and we're always rushing around to try to put reports together, do the work that you ask us to do on your behalf. One of the nice things about taking just a little bit of time at the end of the year is to reverse our direction a little bit, which is always for the most part forward on what we need to do next week or the next Agenda or the next Agenda Item or how we need to bring something back. The Council, you all are so super responsive to our community. Again, in many ways, we're always in a mode of thinking about how do we respond to that question or that concern or that complaint. In all of that work—the same thing with our Staff who is here tonight—it's easy to lose sight of actually how much we do accomplish in the course of a year. This little bit of time we have does let us go back and touch on—I don't think there's anything that I'm going to bring up that is unfamiliar to you. Hopefully, by the time we get through this and to the end, you would agree with the assessment that I'm going to make at the end about 2015. This is the year in review. I did want to frame this. We're going to talk a lot about the Council Priorities, but about some value perspectives that I use with our Staff a lot. In many ways, I often like to be thinking what is behind the way we approach the work we do or what is the

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lens that we ought to be looking at problems with and the things that are really important to us. Our work is involved with matters of place, with the need for and the reality of community. When we're looking at the needs of our community or we're thinking about issues or problems, you want to have a Staff that has a perspective of stewardship; one that feels a responsibility for the past but also for the future; and that we'll do all of that through the highest ideals of public service, in service ultimately though to civics and the participation of citizens in their community, working with you as their chosen elected representatives to accomplish these other things and to ensure we have a great place so we have a lively and vibrant community. We're stewards and protectors of what those who came before us have provided, and we're thinking about the future for those who come afterwards. It's sort of in that context when we do the work and when we think back about what we do. I'm going to do a little aberration here. On Saturday, I went for a long run that took me down to—I did 11 miles. Council Member Scharff and I were talking about 11-mile distances recently in a different context. I ran from my house down to the Baylands and did about four miles in the Baylands. Even though I know what we're doing there, I kind of went off some of the paths I usually run on when I'm down there. I was struck by how much progress has been made at the Baylands. That took what portions of it which just a few short years ago were a big dump, landfilling operation with open windrows with a kind of funky recycling center that was just kind of chaos and trucks and everything clanging around. If you go out there now—I was carrying my iPhone so I just took a few pictures over a 10 or 15-minute period. Most of the parts of this are looking at either the edges or actual vantage points up on the old landfill to see what has happened out there. What sort of struck me is how many people in our town are unfamiliar with already what has happened there in the Baylands. When we talk about what we do today, I'm only going to highlight some of what has been happening in our City over the past years and certainly over this year. Even though we're going to be hitting highlights of what we've done, there will be all sorts of hidden success stories that we aren't calling out. I don't know. In the course of that run and then sort of seeing these pictures—too bad, this little one you can't see in the corner. It's actually a great shot of a guy on his bicycle on that edge in the lower left-hand corner, sort of looking out, figuring out where he was going to go next. I was sort of with a kind of spirit of mindfulness about our community and your work and our Staff's work and the need to pay more attention to that. Anyway, the National Citizen Survey, we don't have the current data, but it's always worth, again, putting things back in perspective. This is a plug-in that the Auditor's Staff used this past year, last year, on the 2014 survey to kind of populate the survey as a whole with the kinds of issues or concerns most mentioned by our residents in the response to that survey. More often than not when we're in the Council chambers, you wouldn't know that 95 percent

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of our citizens think that Palo Alto is a great place to live, either good or excellent, or that 92 percent feel that their neighborhood is good or excellent. Although those feelings might be informing how they're speaking to us, I think it's good to remember that we are really well respected or the community respects itself for the kind of place that everybody's contributed to being. A place to raise children, 93 percent. A place to work, 86. Quality of life, 91. Quality of City service, 83 percent. That's a pretty high overall level in the sense of what a City provides in its services. It's interesting because it's a little incongruent with some of the other scores we'll get when people will sort of say—the overall direction we're going as a City at times will say in the 50 percentile during that survey or our welcoming of people, citizen participation actually, in the 50th percentile. Yet, at the same time, there is this sense of the quality of services is high. When we see those negative numbers and we compare them to the benchmark cities, actually they're exactly comparable to what other cities throughout the country get. I'm not taking us off the hook here, but some of it has to do, in many ways, with our embedded attitude towards government itself, in many ways, in our society. It doesn't take us off the hook. When you look at that and you look at a lot of the scores we get, again, when we compare ourselves to the hundreds of cities in the benchmark, you'll see that on the economic health 80 percent were good or excellent; we're much above the scores that other communities get. Our overall safety at 92 percent. As a place to retire, 60 percent, and that's comparable to other places. You can see the scores. Ease of bicycle travel, 78 percent above. Variety of housing options, 27 percent, absolutely one of our lowest scores and much below the national average. In many ways, I don't think that these numbers surprise any of us at all even if we were to intuitively think about where we are. Ease of travel by car, 52 percent. In addition, just looking at the trends over the past 5 years, again, in comparison to other jurisdictions, you see by far almost a general upward trend up through this year. Of course, these kinds of measures of the property tax in particular which is the top line right there. If you look at the TOT tax, that sort of silver line, it's the second from the bottom, you can see both the effects of the new hotel construction, the measure that the Council took to the voters that was fulfilled, and the dynamic aspect of the market itself in both the price rate of rooms and the vacancy rate in hotels. All of these signs harkening back that our economy is doing great, and relative to other places around the country much above how they're doing. This past year, if we just look on the business side of things, on the left-hand side a number of sort of larger and smaller representative business changes. HanaHaus coming into the Downtown. Ford Innovation labs opened. Lots of new retail and some redeveloped buildings. New restaurants, Bill's in Midtown, Bird Dog in Downtown and La Boheme on Cal. Ave., all neat, new restaurants. You see the new hotels and some of our work on the Business Registry. You all are very familiar with

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your four Priorities: Completion of the Comp Plan; Infrastructure; the Built Environment: Multimodal Transportation, Parking and Livability; and the Healthy City Healthy Community issue. As it relates to your first Priority, the Comprehensive Plan Update, you see the Summit that kicked off a big formal part of the efforts this year; the formation of the CAC; their ongoing work that's taken a lot of your time; our efforts to try to continue as much engagement as we can through different tools, in this case the digital commenter tool that our Communication Staff redeveloped with Peak Democracy folks to give a new kind of utility to that tool; pointing towards the environmental impact, the EIR in early next year. At that Summit, as you'll recall, we had 350 or so folks there at the end of May. The conversations organized around transportation, growth management and housing. As it relates to Infrastructure highlights, following on the heels of Mitchell Park Library opening just in the year ending before 2015, the opening of Rinconada Library; the California Avenue Streetscape Project; City Hall remodel and King Plaza landscape; and the El Camino Park restoration. All actually in many ways transformative in positive improvements for our community. You look at Rinconada Library. We had the delight of being at the Mayor's holiday party at the Art Center right across the street. We've created over the past 5 years or so a fantastic new campus there with the Art Center and the grounds and the library for the next couple of generations of Palo Altans. Both Cal. Avenue, the streetscape and the sort of enrichment of the street itself and the liveliness of the sidewalk café life and the public art. In City Hall, the remodel, despite even some tendency to want to criticize this, this is the center of government. This is the symbolic location for civics in our community. I think what we've been striving to accomplish here on the first floor is to turn a bureaucratic building into public space for the people and making the outdoors and the entrance itself even more beautiful. I think you can see the difference with everything from high-speed Wi-Fi to tables and chairs out there, how much more people just find their way to King Plaza to sit and have lunch or organize a techie scavenger hunt or whatever it is they do from the center of town. Just this past week, the restoration of El Camino Park which, of course, underneath it is our 2.5 million gallon water reservoir. In many cities, any of these projects would be a signal for success for the year. There are other infrastructure projects and issues. Obviously, we continue on our aggressive acceleration of our street maintenance program, still on target to come in with our goal of 2 years ahead of schedule in 2019 of hitting that average Pavement Condition Index of 85. The Public Safety Building which you will take up tonight. Fire Station 3, another one of your Priorities. The concern about the Baylands Interpretive Center, Staff spoke to that just last week. We continue to do planning as it relates to the organics facility. Newell Bridge is still proceeding through the EIR process and that sort of thing. Of course, we'll be talking again about the Highway

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101 bridge tonight. That is the Comprehensive Plan and Infrastructure. Your third Priority, the Built Environment. Again, in transportation and parking, a successful design community process. I think some good results in the Phase 1 of RPP. Of course, tonight you'll be talking about where to go from here in the Phase 2. The traffic signal optimization will soon be bearing fruit as it at least improves some of our local mobility, the TDM and particularly through the TMA measures. Again, a lot of planning, design work by the Staff. You'll see some of these things will be big for next year. The Bike Pedestrian Plan. Even exploring new concepts such as mobility as a service, as to how we start to link things together. Then the two garages, both on Cal. Avenue and in Downtown. Again, you talk tonight about the Downtown garage. The Cal. Avenue garage is intertwined with the proposal for the Public Safety Building. In the realm of livability, beyond traffic and parking, you directed that we pursue some preemptive efforts to protect retail, which our Planning Staff and Attorneys and others worked on. The office cap, again, assertive and an intervention, almost kind of a move to sort of catch our breath and see where we are. The single story overlay wasn't at all in any of the concepts of our work plans and yet the community desires to deal with those things. Our Staff picked up with you and proceeded with some improvements there. Work on some of our Code cleanup. Again, I think a very successful resolution and way forward on the CPI project, something that certainly over the last decade involved our City. In many ways, we moved it to a point of success in decisions and moving forward. In the realm of livability beyond the built environment, I took the liberty of going off script here. I didn't put the Council Priority there. These things are important to livability, and certainly our Mayor this year certainly stressed a lot in these areas. Just as it relates to arts and culture, our Public Art, the rotating Public Art, the quality of it, the Narduli installation *Conversations* in City Hall which we hope to have up in the new year which will mine active, live conversations from people in our community real time in City Hall. You got a sense last night just at the tour of the Art Center on what we've done. Of course, continued growth with kids and everything as it relates to what happens out at our Children's Theatre. In the realm of special events that make life so livable, I remember—you've heard me talk about it before and many of you were on the Council. I think Council Member Burt was Mayor the year that Paly won the football championship, the boys won the football championship in the state and the girls won the volleyball championship. We decided to have a parade up and down, come down through Centennial Alley. One of the things that struck me—I'm just speaking for myself—and anybody else was how meaningful those coming together events are for many people in our community. In many ways they represent as much as they see sort of proactively from the City, and it does really enrich our lives. This year we had the Heart Across America, a bike event, for stroke awareness. You see the picture there. We had the For the

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Love of Palo Alto events in February concurrent with the Valentine's Day opening of Rinconada Library. We had a reinvigorated May Fete Parade, I think, with dogs and more kid sort of things before. Obviously the Chili Cook Off. First ever really Veterans Day recognition. Of course, the accolades you all got for what you did not just in the sense of just the ceremony itself but the personal comments that vets were making to the Mayor and Council Members about how special this recognition event was and to our Staff that worked on this so hard. A Meet the Street Event. Our usual Tree Lighting Ceremony. Palo Alto Perry, one of my favorites. I know it drives some of my colleagues crazy, but that came out of For the Love of Palo Alto and has kept a life of its own all through the year. You know what? We should laugh more and poke fun at ourselves a little bit more than we do. Your fourth Priority, Healthy City Healthy Community. Just recently, in the last week or so, you adopted the formal Resolution itself. We're in many ways in the beginning stages of proactively what we're doing to do. Obviously you made smoking ordinance changes. You've got new ones coming forward. We'll see where the new year takes us. As we leave the Priority areas, so many of these were dealing with the values that I was talking about, that I like us to be sure we're focusing on, on the Staff. Lots of them related to place and community and stewardship and people's involvement through civics, what we do. If I could come back to community and think ahead about all the work that we have been doing this year to prepare for the winter storm prep. That top picture is actually months and months ago with us out actually along the creek right at the Pope-Chaucer Bridge with the General from the Army Corps of Engineers, once again stressing the critical importance of both the permits and the response that we need from these other levels of government to address the systemic problems. Of course, still in the wake of being dependent upon their decisions, all of the prep and outreach and training we've been doing as a Staff just in case we have the winter that goes beyond the water needs that we have and creates problems for us. Caltrain rail safety again was a kind of pop-up response for us to reinvigorate what we were doing as far as means restriction and access. The expansion of what we've done occupied actually an amazing amount of our time. Airplane noise, not anything that was really on your work plan. When you've gone to the Town Halls, when you come up to the seventh floor and the Sky Posse folks are there again meeting with us on issues and engaging with Anna Eshoo, everything is taking a tremendous amount of our time trying to deal with a very complex regional problem. That same thing with Animal Services. We worked through with the community of the animal lovers, again how we're going to restructure our Animal Services. Most importantly, have a way to rebuild our animal shelter here in Palo Alto. When we think of our community as it relates to neighborhoods, again, the departure of the grocery store and the concerns around Edgewood Plaza has been a focus for years. You continue the Safe Routes to School. The Know

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Your Neighbor Grant program is an ongoing thing. Neighborhood Town Halls, that's a new initiative that you've put out this year, two very successful meetings. Again, all of our work. There's our Staff team in EOC in one of many emergency preparedness exercises that ultimately link out to not only responding to the community but strengthening emergency preparedness for people in our community. In the realm of stewardship, a lot of these things are just kind of a grab-bag of issues or programs or planning efforts we've been involved in. The response to the drought. Your direction on looking at the next phase of our carbon reduction plan as it relates to greening our gas supplies in some ways. The Parks and Recreation Master Plan, our Climate Action Plan update, the Urban Forest Master Plan. Things like looking backwards and forwards with your decision on the Palo Alto History Museum. Even in recent weeks, the concern about dewatering. The fourth value in a sense, the one that is most central to us and of course to you all too as elected representatives of the high path of public service, which is not only service to the public but it is service in public which is a very special kind of demand and requires of us a set of skills and a thickness of skin that in many other realms isn't required. I'm here to tell you that we are very, very fortunate to have the leadership, the commitment of smart, dedicated people in our organization. The arrival of new folks. Down in the bottom right-hand corner, that's our newest NEO class, New Employee Orientation. That's actually a small NEO class this time. Every new employee comes in on the same day each month. They spend two days in an immersion program learning about Palo Alto's history, going to Stanford, touring every kind of nook and cranny in many ways of our City, meeting with the Executive Leadership Team. After two days, really having a sense of an organization for most of them when, like so many of us, their first day on the job is to kind of go to their office or their cubby or whatever it is. They're given a handbook and some keys and whatever and start to work. Our ethic of service, as I said, informed by place, community, stewardship and civics. We have a challenge, though, this competition for talent that we've been talking about with the Council, about how we can continue to attract in this environment where the cost of living is so high, where the difficulty of commuting is increasing. We've got to be an employer of choice for folks. In some ways that is who we are. As I like to tell a lot of our new folks, think of us in many ways as a startup City where you can come and work on things that you're not going to work on in another place, because we're both small enough as a City and we have the vision and the community that wants improvements and innovation. You can have a career here that is worthwhile, that is beyond just the dollars and cents of this work. We're in a year of transitions. Fortunately, we've made a number of key hires. We've brought in two new Assistant City Managers who are great additions. We've got a great new Chief Transportation Official. We've promoted into Battalion Chiefs folks from our own Staff. I



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actually see out in the audience our soon to be new Chief People Officer in Human Resources here tonight. We certainly gave her this same pitch too when she was interviewing. I'll introduce her later. A number of years ago, I counted all the Staff we had who work on all the initiatives and the Priorities of the Council and the deeper complaints you get and the responses that you want on things. I added them up, and we have 66 full-time people in our organization who worked on those things. I think we have a few more now. It's still Route 66 plus. Everything has to go through a small bunch of people. I know you know this, but I'm here to tell you that our folks give it all. They give way more than folks are aware. It's not on a one-time thing; it's sort of day after day. We've got lots of folks from our leadership team. It goes beyond that. I'll share two examples of two employees of ours. I actually don't know these folks personally. One, for example, is named Yung Tron [phonetic]. Yung is a longtime Project Engineer in Public Works, is a quiet, unassuming guy. His supervisors call him a crack project manager who's completed a lot of projects over the years, most recently the Rinconada Library. His boss found him one day up in the attic of the new library under construction where he was installing cabling and wireless routers. Turns out he thought the contractor's quote for the change order to do the work was too high and decided he'd do it himself. Edit Boghozian, a Senior Librarian, who has worked for the City since 2008 and is responsible for organizing information about library collections in the online system so customers can search and have access online. According to her supervisor, Edit always takes an extra step to ensure she's on top of everything. She's done extensive research on the best way to convert all of the print materials into digital formats and has now developed a resource that is available 24 hours a day to the world. As a result of her work, customers can now access Palo Alto historical newspapers, creative work done by local veterans and important City documents. You see the picture of one of our Public Works crews out there planting a new street tree. You can sort of see it's really adjacent or near someone's yard. Not only do they have to do the work, but the engagement that it takes to just plant a tree in Palo Alto with the neighbors and folks. You recognized earlier some of our firefighter crews who were out there battling some of the big western wildfires. I could pull out hundreds of examples from individual people all over our organization who do this sort of work every day. I'm just here to tell you that it's an honor for me as City Manager to work with folks who care so much about this community and being responsive and doing their best. In the realm of civics, lots of different ways of thinking about that. Our whole Our Palo Alto initiative was also about engagement. Some of the apps that we've developed like Palo Alto 311 are ways to not only problem solve but get people better connected to taking care of and being responsible for their City. For the Love of Palo Alto was an effort to reinforce the emotional connection that everybody

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wants to have with our City and the truth is Palo Altans feel so strongly. It's one of the amazing qualities of folks in our community. Our Open Data initiative is a desire to ultimately open government up, make it easier to access, of course, actual opportunities, without having to run for office, to sit with the Council, to serve on a Board or Commission or to volunteer. I'm not just talking about volunteers that might do work just in the community, but all the different Friends groups that we have who volunteer their time to actually serve and improve services that we have. Almost done. The outside world, again, continues to recognize our efforts across a range of issues. We once again get recognition in both our financial practices and documents and in our budgeting from the key professional evaluators. We're going back in the 14, 15, 16, 17, 18 straight years of those awards. Mitchell Park Library and Community Center, again LEED Platinum designation, one of the highest scores ever, 92 out of 100; Community Improvement Project of the Year by the American Society of Civil Engineers, Outstanding Public Project by the Santa Clara Valley Urban Runoff Pollution Prevention Program. The Magical Bridge Playground. Rinconada Library, lots of recognition, Stanford Heritage Award Project of the Year, American Public Works Association Silicon Valley Chapter Historical Preservation Award, and Rinconada Library was one of the three California Preservation Foundation awards. The other two were for the Sea Scout Building down in the Baylands and for the Edgewood Office Building at the corner of the Edgewood Plaza Shopping Center. You all will recall a couple of months ago when the Mayor came back from the event, we reported that out of the 485 cities in California there were 18 preservation awards given in the entire state by the California Preservation Foundation, and Palo Alto got three of them, a City of 66,000 people. The Sustainability Award from Acterra recognizing our multiyear work. The recent American Public Works Association accreditation, one of only a couple of cities in California to receive that recognition. We continue to be one of the top digital cities from the Center for Digital Government. Fifth Most Livable City in the U.S. Remember we used to be number one, but our rising cost of housing has been knocking us down the past year or two. As we look forward to next year, I don't mean by any means to say that these are the only issues, but they're just illustrative to point out both the ongoing work on some big projects and some issues we're clearly going to be paying attention, all of which in many ways are make or break kinds of issues for our community. How we get through this potential El Nino winter and ultimately get the final permits and the ability to move ahead with the construction from the State and the Federal government on San Francisquito Creek. Big and important work on our Fiber to the Premise initiative to pursue as best as we can ubiquitous, 100 percent fiber access potentially to every place in Palo Alto. Lots of transportation issues, particularly in the realm of the TMA. Climate Action Plan, we'll be having a Summit on the 24th and a big component sort

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of parallel to the Comp Plan. What we do on Caltrain grade separation and of course High Speed Rail sort of lurking there in the background. Our internal work, again, on how we can continue to recruit and retain key employees. The Comp Plan, housing, Cubberley, two garages at least, and of course hopefully getting the permit and the ability to move construction again this year on the golf course. That's important for the golf course, for our finances and actually for even other environmental reasons. In conclusion, I want to say thank you for a great year; to the Mayor and Council for your leadership; to our community and ultimately really to our employees. Hardly anything that we do can be accomplished without the 1,100 or so full-time and the other part-time employees. This is just a picture we had up there after the Paris bombings that day, when we went out and raised the French flag and lots of our employees wanted to assemble outside to watch it, to show the reach and the caring that our employees show extends to other places in the world. This is home for us, where we work. I want to most of all thank them for their work this year. Thank you.

Mayor Holman: Thank you. Just a brief comment here. Having the privilege of being in the Mayor's chair this year, you get to spend a lot more time in City Hall, and you get to see much more intimately the dedication and commitment of our City Staff workers. I want to extend my personal appreciation to the Staff that are here and the Staff that aren't here for your dedication and hard work that's represented in the City Manager's presentation this evening. Thank you, Jim. Thank you, Staff.

## Agenda Changes, Additions and Deletions

Mayor Holman: With that, we go to Agenda Changes, Additions and Deletions. Knowing of none.

## City Manager Comments

Mayor Holman: We go to City Manager Comments.

James Keene, City Manager: Thank you. Let me see how I can muddle through this a little bit. It's the last meeting of the year. It's a lot of complicated things on the Agenda. Suzanne, did you get me anything? Thank you very much. I'm going to read some comments, and then at the end I would like to provide a little bit of information, if it's appropriate, in relation to a couple of items on the Consent Calendar on some questions that we got late, that we were just not in a position to answer in advance, but I can provide some little updates. I did want to let you know that on the solar front, last week the Unitarian Universalist Church of Palo Alto approved a 129 kilowatt solar canopy, a project to be installed over its parking lot. It's developed by local solar developer Komuna Energy. It will be the first to

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tap into the City of Palo Alto's solar feed-in tariff program known as Palo Alto CLEAN, which is Clean Local Energy Accessible Now. It will be part of the congregation's ongoing effort to reduce its carbon footprint and increase local renewable energy generation at the church campus located on East Charleston Road. They had installed a 17 kilowatt solar array earlier, back in 2001; a public electric vehicle charger in 2013; and drought-tolerant landscaping in 2014. They are looking to move to making the campus a net zero electricity consumer by 2016. Congratulations to them. As another element of our winter preparation for this winter's El Nino storms, we have retained a contractor who has started construction of a temporary flood control berm along San Francisquito Creek, downstream of Highway 101. It's downstream of Highway 101. This berm is being constructed to an elevation that's the same height as the berm on the other side of the creek extended by East Palo Alto, which is on the north side of the creek. This is necessary to provide an equal level of flood protection to properties on both sides of the creek. It will enhance flood protection for the International School of the Peninsula, the U.S. Post Office and consists of a 12-18 inch high sandbag barrier covered with 2-4 inches of concrete. We expect it to be completed prior to Christmas. It's being coordinated with our partners in East Palo Alto and Santa Clara Valley Water District and the San Francisquito Creek JPA. There's a Public Art Holiday Open House. You may have seen the activity in the community room, outside in the foyer on your way in to the meeting. The Public Art Program is hosting a Holiday Open House and Master Planning Workshop from 6:00 to 8:00 p.m. tonight. It's a hands-on workshop to help the City shape a proactive vision for public art in Palo Alto over the next decade. If you get an opportunity, a break or anything, you might want to stop by and mingle with the Art Commissioners and the Master Plan Advisory Committee Members. As a follow-up to the Center for Disease Control and Prevention, CDC, as you may have heard, the CDC will conduct an epidemiology study on teen suicides in Palo Alto in early 2016. This week two preliminary meetings will occur between the CDC, Santa Clara County Public Health Department and Palo Alto representatives so we can learn more about the process of the CDC epidemiology study. One of those occurred this morning with School District representatives, including administrative staff, teachers, students and parents. The City of Palo Alto had a representative there, because we're going to have a second phone call meeting, for the most part, with many of our Project Safety Net partners who are involved in the collaborative. We've invited our two School Liaison Committee Members, Council Members Burt and DuBois, to match the two School Board Members who were in their meeting, to sit in with us on the call. As we learn more about the CDC study, we'll let you know. I have a list; we've got about 20, 21 people who will be attending that meeting. Wouldn't it be most appropriate, Madam Mayor, that I add some information related to these Consent Agenda Items now? I'll try to do these in order so

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that there's a benefit as much as possible, that in advance of you taking action on the Consent that you have this. On Agenda Item Number 4—maybe Molly will jump in and help me—what is the target date for completion of the garage which is basically the Lot D garage? The target for completing construction is fall 2018. On page 2 of the Staff Report, mention of a Council direction in October 2014 to evaluate Lot G for a second garage. When will that analysis occur? The Staff response will be with our focus on beginning the Lot D project as a component of the Council Infrastructure Plan, further analysis of Lot G, feasibility and financing options, has not been initiated. We anticipate more analysis on Lot G in 2016. There was a question, should we consider a design/build contract to remove some risk from future construction costs. While we haven't used this much, would a parking garage be a good place to try it? Same question for Fire Station 3 which is Item Number 8. Our response—I agree—is design/build contracts can be effective in addressing short-term construction cost changes for projects that are very well defined. In the case of the Downtown parking garage, there are a number of unresolved issues that will be addressed in the upcoming design process. Some are the structure size, architecture and potential inclusion of mechanical parking and retail. A design/build contract would not be viable unless these issues had already been resolved and the basic conceptual design completed. In general, design/build is more difficult to implement for City projects that are subject to changes resulting from the ARB review during the design process. Not impossible, but we're at a stage where we recommend continuing with a typical design/bid/build project. The same would apply to Fire Station Number 3. Molly, did you want to add something?

Molly Stump, City Attorney: Yes, thank you. Council Members, City Manager Keene. Thank you to the citizen. Careful reading identified an error in an attachment to Consent Number 4. The draft Request for Proposals suggests that the Lot D garage would be funded by Certificates of Participation. That is not correct. What is correct is the Council's adopted Capital Improvement Program which identifies funding as coming from the Stanford Development Funds and a category called other, which is largely parking in-lieu funds. That item will be corrected before being issued if Council approves the item this evening.

Mr. Keene: Thank you. Real quickly—hold on a second. I'm going to skip over Item 18 for a second. That had to do with the prevailing wage minimum wage item. Item 20 on the Council's Agenda really deals with the—maybe you guys can help read what the item is here—execution of the revised agreement which would allow Palo Alto Police Department to provide law enforcement services to the new Levi's Stadium in Santa Clara related to the Super Bowl. There was a question and concern will our Palo Alto police

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officers be covered by the City's insurance carrier while working the Super Bowl. It was implied, but not stated directly. The answer is the City is self-insured to \$1 million and participates in a multicity risk pool, ACCEL, for claims over 1 million. The revised agreement before Council today includes changes that Palo Alto negotiated to address the ACCEL Board's concerns about the prior form of the agreement. That risk board reviewed the revised agreement at their most recent meeting, this past Friday. At the time, the Board expressed satisfaction with the agreement and determined the Palo Alto Police Department's participation in Super Bowl events at designated locations does not give rise to an exclusion from coverage under the City's existing Memorandum of Understanding. We are covered on that one. We got some questions on Item Number 24, but that's on Action, and I will let that go. We had some questions on Item Number 18. Let me just say I'm going to break these into two parts. One is that there was a question about our City. Is it typical to include funds to restore the City Manager Contingency Account as suggested in this? Is it a City practice to do that when they're used rather than wait until the next budget year? The answer here is that the only time we do, during the course of the year, restore a particular contingency fund if use of the funds, in this case the City Manager's Fund, is linked to particular City Council initiatives that come up during the year. We go back and fund it initially to have a cash flow thing there, but we replenish it so that the City Manager's Contingency Fund is available as intended for other organizational or organization-wide issues. That's our typical practice. Secondly, I'll go ahead and do it now, just so it's clear. It'll be in advance of the Consent Item, Madam Mayor. We had gotten a number of questions around Item Number 18, that is the minimum wage implementation and some of the compliance requirements related to the prevailing wage, disadvantaged business enterprise program and minimum or prevailing wage. Actually upon looking at it more closely, I don't think even the answers that I gave the Council were complete enough, and my own conversations with the Staff. I don't think that we're ready to advance the recommendations related to the compliance programs that was included in the report. However, there is a time-sensitive component to the report that really deals with our need to make some changes with some of our existing SEIU hourly and limited hourly employee wage rate to be in compliance with the Minimum Wage Ordinance, so you separate that out. That was that \$20,000 expenditure out of the larger expenditure. We really would ask that when you take up Item 18 that the only action being recommended tonight would read to approve the Resolution for amending the wages adding a new minimum wage related to City positions. That's Attachment B. We would return early next year with information and further discussion on an Action Item regarding the prevailing wage compliance functions. Apologize for all of that. Hopefully you tracked that. I think I am finished with the City Manager Comments. Thank you.

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Mayor Holman: Thank you.

## Oral Communications

Mayor Holman: With that, we go to Oral Communications. We have two speakers who wish to speak under Oral Communications. The first being Bob Moss. The second being Stephanie Munoz. You'll each have 3 minutes. If you can come forward when you hear your name called for this and the next item, that would be helpful. Thank you.

Robert Moss: Thank you, Mayor Holman and Council Members. Since this is the last scheduled Council meeting of the year, I thought I'd do something unusual and recognize the efforts that all of you put in as Council Members and the time and effort that you spend reading hundreds of pages of Staff Reports, letters from the public, letters from developers and applicants every week, the time you put in at meetings, 5 or 6 hours for a Council meeting, and then there are the Committee meetings, Finance Committee, Public Works, the liaison that you have with other Commissions and Committees. You put in an awful lot of time and effort. It really is a symbol of the dedication you have to try to make the City work and make it better. You aren't, of course, always correct. I mean, there have been a few times some of you have voted opposite to the way that I've recommended you do on an issue. Of course, when you did that, you're always wrong, but you're allowed to make a few errors from time to time. I do want to thank you and give our appreciation for all of the time and effort you spend. Fortunately, you're reimbursed for it. If you were paid minimum wage, you'd all get huge pay raises. Again, I want to thank all of you for the time and effort you put in and for the work you do and for the effort you dedicate to the community in trying to make Palo Alto a better place. Thanks again.

Mayor Holman: We don't usually encourage applause, but ... Thank you, Mr. Moss, for coming and for your kind words. Our next speaker under Oral Communications is Stephanie Munoz.

Stephanie Munoz: Let me echo Bob Moss' compliments. You deserve them. It's the time of the solstice and a time of change. It might be time to recognize that in the 50 years that I've been watching this Council we've made a lot of progress, I think, toward our idea of what is a reasonable manner of governance. I'd like to say that we haven't quite approached it, but at least we've changed from a kind of single-minded progress, something like lemmings, trying to make the value of property in Palo Alto increase to something where those values take their place along with other values such as not leaving people out in the cold and the rain when they don't have a house anymore. Tonight's not so bad, but one of these nights

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when it's really cold and you go out of the house, just take a minute and be cold. Ask yourself what it feels like. It's quite disagreeable. I think that we could manage. These are not mentally ill people. They are not criminals. They are people who simply have been priced out of the market. I think we can do something about it. Another change that's happened is the Council has been a little bit more determined to keep their aesthetic ideals of what makes a nice-looking, little town and not to have gigantic buildings. I would like to suggest that when a person does come in with his gigantic, humongous project that's clearly not suitable even though he was at one time given the impression that it would do, no, don't agree that it should be done just because somebody else once said he could do it. Take an attitude a little bit more humble and a little bit more helpful. Say to that person, "We know that you thought you could do this. We're sorry, but you can't do it. How can we help you? Can we send somebody over? Can we shorten your times? How can we help you make something that is agreeable and suits the aesthetics of the town?" Thanks very much. Bye-bye. Happy New Year.

Mayor Holman: Thank you. We have one more speaker under Oral Communications, Richard Brand.

Richard Brand: Good evening all. Richard Brand, 281 Addison. I thought that the commentary about the Council is well put, but I think I also want to say Staff. I've had the pleasure of working with Staff this year, with Jim and his group and some of the people via phone calls. Poor Mike Sartor; I've called and said, "I've got to have my street cleaned." That's just some of the response that we get here. I'd also like to say that our City Staff does a wonderful job. I think they deserve a round of applause too because it's a tough job. You're never right as we said. Thank you, guys. The other thing too, my buddy up there in the booth, Vince Larkin, KZSU does a wonderful job of donating their airtime for this. I've got my Rose Bowl hat on. Wisconsin 4 years ago—we've had 3 out of 4 years of Stanford going to the Rose Bowl, our local team. I love amateur football; I'm not a big fan of professional. I think we're lucky to have that included. I really want to thank Vince and the group for doing the broadcasts.

Mayor Holman: Thank you. That concludes Oral Communications.

## Minutes Approval

3. Approval of Action Minutes for the November 30, 2015 Council Meeting.

Mayor Holman: With that, we move to Approval of Minutes. Those would be the Minutes of November 30. Looking for a Motion please.



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Council Member Burt: So moved.

Vice Mayor Schmid: Second.

Mayor Holman: Was that Council Member Burt?

Council Member Burt: Yeah.

Mayor Holman: Council Member Burt motion and second by Vice Mayor Schmid to approve the Minutes of November 30.

**MOTION:** Council Member Burt moved, seconded by Vice Mayor Schmid to approve the Action Minutes for the November 30, 2015 Council Meeting.

**MOTION PASSED:** 9-0

Mayor Holman: Vote on the board please. That passes unanimously with all members present.

## Consent Calendar

Mayor Holman: With that we go to the Consent Calendar. You've heard comments by City Manager Keene in advance of this item coming. We also have members of the public who want to speak to some of these items. We will take those speakers first. Speaking to Item Number 4, we have Sandy Slater to be followed by Neilson Buchanan. Again, when you hear your name called, if you could move to the front, that would be most helpful. Sandy Slater. You'll each have 3 minutes.

Sandra Slater, speaking to Agenda Item Number 4: Thank you, Madam Mayor and Council, for allowing me the opportunity to address you this evening about the study for a proposed Downtown garage in Palo Alto. My name is Sandra Slater, and I am a member of the Palo Alto Forward Steering Committee and also the Northern California Director of the Cool City Challenge. As we saw this last week in Paris, there's new momentum in the world to come together and find solutions for our global crisis around carbon emissions. Palo Alto has come quite a way in that fight already and has instituted some really effective and innovative programs to address our transportation carbon footprint and to relieve congestion, traffic, parking and single occupancy vehicle trips. I applaud you for your support of the RPP and TMA programs. I would respectfully request that the study in question look at the data on the effectiveness of these newly instituted programs and compare the cost of building new parking structures with the cost of reducing demand for these very expensive parking spaces. For instance, if you build a new parking structure, it costs about \$300 a month for each

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parking space. I would encourage you to look at how this \$300 could be more effective if it reduced demand for the parking spaces in the first place. The TMA has established that low-income workers are offered bus subsidies and Caltrain passes. If they are given that option, they prefer to take transit over driving in and out of our City. For instance, the Epiphany Hotel offered its employees subsidies for Caltrain passes, and 25 percent of the employees are now using Caltrain because of the discount that's available to them. Richard Wilson, one of the world's most esteemed parking experts, addressed Palo Alto Forward a few months ago and said that before any additional parking was developed, we need to survey the much underutilized parking that already exists in many places in Downtown Palo Alto, and it's been overlooked. For instance, near my house, within about two blocks of my house, there are lots of office buildings, usually converted garages, that have a lot of excess parking. Perhaps some of that money, the \$300 a month, could be used to lease some of those existing parking spaces. The stated purpose of the study is to build more parking to lessen the impact of parking on the neighborhood streets, which the RPP seems to be doing quite an effective job, especially in these nascent stages. There's also data that shows that there's often a first-mile problem for potential Caltrain commuters. The TMA is about to embark on a program with Lyft as a partner to discount rides to Caltrain along the corridor and deal with the first-mile problem. We should evaluate what the effectiveness is of this and other innovative programs that are in the works so that Council will be spending the citizens' money wisely and effectively. Thank you very much.

Mayor Holman: Thank you very much. Neilson Buchanan to be followed by Vanessa Warheit.

Neilson Buchanan, speaking to Agenda Item Number 4: Thank you, Mayor Holman. I'm really disappointed. I was hoping I'd follow Chop or Russ Cohen so I'd have something really to say. What the previous speaker said, I wanted to say exactly the same thing. I made my notes, and it almost goes in the same sequence. I spent last night looking at the world reaction to efforts to change the environment and energy consumption. If China and Texas and other people are going to all put an oar in the ground and try to change the way we consume energy, I think this is the time that the battleship Palo Alto, the most nimble organization in the whole United States, can change its direction. Building another garage makes absolutely no sense to me. It's one of the great ironies of tonight, that I'm up here talking about stopping a garage after I've worked so hard to get permit parking started. I don't see that the garage is part of the solution for neighborhood quality at all. The garage is only going to attract more cars like bees come to honey. The Council has an option to divert that design for the parking lot into a different use. I think this is a great opportunity to

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have a showcase housing project. You could serve whatever market you want to. My personal opinion, it ought to be designed for the young millennials. Figure out what's economical for them. Larry Klein on his way out suggested that the top of the garage should be a wedding venue. I've talked to a couple of millennials. They thought a bocce ball and a beer garden was a much better idea on the roof of a housing project at that site. I support that idea in concept fully. I agree with Sandy as well that the TMA is woefully understaffed and under-resourced. Good people are working on it, but it's never going to get there from here unless you put some real funding, venture capital-type funding, and broaden its geographic reach. It should be including the clinic. It should be including California Avenue. If you want to go ahead and build the garage, be my guest. I guarantee you with every fiber in my body I'm going to be fighting for 214 parking spaces to be 100 percent dedicated to removing cars parked in the neighborhood. That's secondary. The real issue is housing and TMA. Thank you.

Mayor Holman: Thank you. Our next speaker is Vanessa Warheit, to be followed by Adina Levin. Both of these speakers also on item Number 4.

Vanessa Warheit, speaking to Agenda Item Number 4: Good evening, dear Council Members. My name is Vanessa Warheit; I'm a Palo Alto resident, mother of a child in the Palo Alto Unified School District, and the owner of a car registered here in Palo Alto. In light of tonight's discussion on parking in our Downtown, I wanted to make a modest proposal. Clearly the streets of Palo Alto are too congested. It takes way too long to find parking. This is bad for local businesses, which is evidenced by the number of local establishments that I remember from my childhood which have long since gone out of business. Our region is growing, and we need to better support the long-term growth of our Downtown. We also need to keep all these cars from spilling over into the residential neighborhoods that surround it. I believe the proposal to build a new parking garage Downtown isn't the answer to these problems. For one thing, it only adds 214 additional parking spaces to our Downtown, not near enough for the projected growth in this area. With 17,000 more jobs and 13,000 additional residents projected in the next 20 years, we can expect a lot more cars on our streets. The proposed garage is also all the way over on Hamilton Street, requiring people patronizing businesses on University or Lytton or any of Downtown side streets to walk one or more blocks to their destination. What I'm proposing is a project to bring free parking right in front of every single business, double our existing capacity and maximize the use of our existing facilities. I've been assured by a well-known transportation official in Los Angeles that creating a double-decker road system provides the kind of free, convenient access to local businesses that we need here in Palo Alto. I would like to, therefore, submit for consideration a common sense idea that

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is in alignment with Policies T-45, to provide sufficient parking to address long-range needs, and T-47, protect residential areas from parking impacts of nearby business districts. I propose to make University Avenue, Hamilton Avenue and Lytton Street double-decker streets with diagonal parking along each side at both the ground floor and the second floor, allowing easy access to establishments regardless of their vertical location within a building. Building a second story of roadways would also include eliminating the trees from our Downtown and narrowing our sidewalks, which would make walking from car to business even easier, reduce tree maintenance costs and add an additional 50 percent to the number of available parking spaces. My proposal would put our City on the map and not only as the City with the most convenient parking in the Bay Area. Cities like Beijing and New Delhi, which have seen a significant rise in their parking, have shown 7.3 and 7.4 percent levels of GDP growth compared to a paltry 3.8 percent here in the U.S. Not only has this growth increased per capita income in these cities, but the record-setting levels of air pollution generated by this growth over the past few years has also gained them significant media attention. Imagine what we could do with that added revenue and all that press coverage. I can't think of any objection that could be raised against this proposal, unless it might be that constructing such a system of freely accessible parking might cost more than the City has in its budget. To that I would simply suggest that increasing the speed limit to 35 miles per hour could put this project squarely into the realm of Caltrans and, thereby, qualify it for available State highway improvement funds.

Mayor Holman: Thank you. I need to ask you to wrap up quickly.

Ms. Warheit: Please stop considering other suggestions like the ones we've already heard this evening until and unless there is some glimmer of hope that you might take them seriously. If someone has a better idea, I'd like to hear it. Just keep in mind it will need to deal with 13,000 more people ...

Mayor Holman: You need to wrap up. I'm sorry.

Ms. Warheit: ... and 17,000 more jobs within the next 20 years. Thank you.

Mayor Holman: Also, Adina Levin to be talking on Item Number 4, to be followed by Herb Borock, who will be speaking on Item Number 10.

Adina Levin, speaking to Agenda Item Number 4: Good evening. Adina Levin with Friends of Caltrain supporting sustainable transportation on the Peninsula corridor from San Francisco through San Jose including here in Palo Alto. Regarding the strategy to deal with parking and access to the Downtown, a couple of years ago the City Council decided to pursue an "all

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of the above" strategy. The problem was a real, major pain point and, therefore, the City Council was going to look at adding supply, greater efficiency of the garages already there, a Residential Parking Permit Program to keep the local streets from being used as a free parking lot, and a Transportation Demand Management Program to reduce the trips. Over the last year, particularly on the RPP and particularly with the Transportation Management Association, there is a lot more information about the opportunity to address the parking crunch by reducing car trips. Out of the research that the emerging TMA has created, they have identified a slate of programs to be able to incrementally reduce car trips from different segments of commuters with different locations and different needs. Therefore, I would urge you as you consider adding supply as one of the choices to gather the right information to make the decision. That includes the ability to make an apples-to-apples comparison about the cost-effectiveness and amount that you can get by reducing car trips versus by adding additional supply. Several members of the public were talking about climate and energy. When the utility is thinking about commissioning additional supply, the first thing a utility does nowadays is to say, "Can we use the same amount of money and conserve energy and, therefore, not need to build that power plant to begin with?" I would urge you to use the information that you have now from the TMA and that which is coming forward to be able to have an apples-to-apples comparison. The City is in the business of making it easier to get Downtown. Businesses need it; residents need it. I'm not saying we should make it harder to get Downtown, but saying that the City Council should take the opportunity to make an apples-to-apples comparison about the cost effectiveness and overall effectiveness of the different ways of helping more people easily get Downtown. Thank you.

Mayor Holman: Thank you. Herb Borock, speaking on Item Number 10, to be followed by Stephanie Munoz.

Herb Borock, speaking to Agenda Item Number 10: Mayor Holman and Council Members, Item 10 is about the former City Manager's residence. You have a item at places which is labeled Item 11, which is really Item 10, a green cover sheet, which has at least to the copies available to the public a copy of the original employment agreement and also an equity sharing agreement that memorializes that part of the agreement. This is not the agreement currently. There is a restated agreement with the former City Manager that reflected two amendments to the agreement, and then there was a third amendment. One of those amendments is mentioned in the Staff Report which indicates how long the former City Manager could stay in the premises. It's the earlier of a number of items. If you don't have that restated agreement, you should have it to be clear on the language. I

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believe the early item that will come up will be when his younger child graduates from Palo Alto High School. I believe she is a senior now, so that would be soon. The second amendment that occurred there was that the City would pay its pro rata share of property taxes based on its equity share. Those are both in the restated agreement. The final amendment that was made, which is Section 9.9, reflects the fact that the City Manager after he was no longer City Manager might want to do some modifications or building at the property to get it ready for sale. As I recall, that amendment limited the City's share of the expenses to \$60,000. Now we have a situation that's not explicitly covered in the agreement, but there may be a case where one of the choices that might be presented is to use the insurance money to do some construction. The majority of that money is the City's. Given that last amendment, which says you can only spend \$60,000 of City money, I believe that if the choice is made to reconstruct the house, you may need to amend the agreement if you want to go along with that choice. I believe that last amendment to the employment agreement is unambiguous, and it limits how much City money could be spent for any construction after the City Manager was no longer employed by the City. Thank you.

Mayor Holman: Thank you. We have Stephanie Munoz, who would like to speak to Item Number 4, to be followed by Curt Weil.

Stephanie Munoz, speaking to Agenda Item Number 4: Good evening, Mayor Holman and Council Members. I would like to echo the previous speaker with regards to a concern for the City's assets. In both the garage situation and the former City Manager's residence situation, it seems to me it would not be prudent to get rid of land which we already own or dedicate it to a purpose which may not turn out to be the most important use we could make of that land. I believe that we've done very well implementing the principle that offices in particular, if they're going and coming in cars, must provide the parking. Retail is a little bit different situation. I think that we should look into having the bus when it's raining or having a little elephant train go around the Downtown so that people could go in and shop and work on the delivery of parcels, which is the main reason I believe that people feel a need to take their cars Downtown for shopping. It is a little bit difficult to carry a large sofa home on your bicycle no matter how great bicycles are. That's my thought. I believe you could implement the use of the garages we already have by having the first floor of the garage paid for at a fairly high rate and have the free parking, the time-limited parking, only upstairs. I think that would utilize better the whole garage which is several floors. As you know, I have suggested in the past that these garages are going to be our first line of defense in case there's an earthquake or some other terrible disaster. We'll have to put people some place, and here are these garages. If you had them stocked with emergency supplies, toilets

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and showers, you'll have a place to put people. It won't be wasteful; it'll be rather useful. In fact, you could use them for the people in the cars who are homeless now. They would be nicely contained in one place and no problem to anybody. It'd be a good use for the garages. I'd hold off on putting in another garage. The same with the residence. We seem to have a tendency for wanting to provide a residence for these important people. Let's do it.

Mayor Holman: Thank you very much. Our final speaker under Consent Calendar is Curt Weil, who will speak to Item Number 11.

Curt Weil, speaking to Agenda Item Number 11: Good evening. I speak to you as the last Chair of the Palo Alto Airport Joint Community Relations Commission, which became extinct at the time that the airport was taken over by the City. I want to speak in favor of Item 11. It's been a positive delight to see the changes to an airport that had been so neglected for so long and to make ourselves available for the Federal Aviation Administration money into which we have been paying for so long. I'd like to remind you that Palo Alto has a long and notable history in aviation dating back to 1929 when the first licensed aviation training school was licensed at Stanford. That's basically all I wanted to express, my support for passing this item. Thank you.

Mayor Holman: Thank you. I have lights from Council Member Burt and Council Member Scharff. Council Member Burt.

Council Member Berman: I would like to move to remove Item Number 4 from Consent.

Mayor Holman: I'll second.

Council Member Wolbach: I'll also second it.

**MOTION:** Council Member Burt moved, seconded by Mayor Holman, third by Council Member Wolbach to pull Agenda Item Number 4- Approval of Scope of Work and Evaluation Criteria ... to be heard at a later date.

Mayor Holman: Item Number 4 has been pulled from Consent and will be heard at a future date to be determined. Council Member Burt.

Council Member Burt: Is it within order to ask a question of the City Manager regarding that?

Mayor Holman: As long as we don't get into discussion.

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Council Member Burt: It would be whether there will be an opportunity to schedule that in the context of other transportation demand-related subjects.

James Keene, City Manager: Yes, I think we can do that. We've got a number of things January, late January, timeframe, yes.

Mayor Holman: Council Member Scharff.

Council Member Scharff: I'd like to pull Item Number 17.

Council Member Wolbach: I'll second that.

Council Member Kniss: Second it.

Council Member DuBois: I'll third it.

**MOTION:** Council Member Scharff moved, seconded by Council Member Wolbach, third by Council Member Kniss to pull Agenda Item Number 17- Adoption of an Ordinance ... to Move the Day of Policy and Services and Finance Committee Meetings ... to be heard at a later date.

Mayor Holman: Item Number 17, for those who may not be following along that closely, is adoption of an ordinance to move the day of Policy and Services and Finance Committees from Tuesdays to Wednesdays. That item has also been pulled by vote of three Council Members and will be heard at a future date to be determined. Item Number 10, City Manager, you received an email from some ...

Mr. Keene: No, I had two things I'd want to say before the Council votes. Number one, I've heard some questions or concerns related to Item Number 10. I think in response that I can offer that we would be in a position to schedule for a future discussion of how to use proceeds from the sale of the property involved in Item Number 10 along with a policy discussion related to the sale of City property. In the event that we've concluded all of that before that actual meeting was scheduled, I would be sure to sequester the funds, that we'd kind of hold it off in a special fund so clearly we're not just putting it into the General Fund for other use. It'd be available as part of any subsequent policy discussion. Secondly, if after you do the Consent Calendar, I could have our usual 2-3 minutes to introduce our new Chief People Officer running HR. That would be great. Thank you.

Mayor Holman: Yes, that would be Item Number 21. With that, Council Members, we are ready to move the Consent Calendar with Item Numbers 4 and—what was the second item?



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Mr. Keene: Seventeen.

Mayor Holman: Four and 17 pulled. Council Member Scharff, did you have ...

Council Member Scharff: (inaudible)

Mayor Holman: No, no, I'm not done. With Item Number 18, we would be approving only Attachment B and comments made by City Manager regarding Item Number 10. I believe that covers everything. Looking for a motion then for Consent Calendar with those caveats.

Vice Mayor Schmid: So moved.

Council Member Kniss: So moved.

**MOTION:** Vice Mayor Schmid moved, seconded by Council Member Kniss to approve Agenda Item Numbers 5-16, incorporating comments from the City Manager relating to Agenda Item Number 10 - Approval of the Fire Insurance Settlement Payment ..., Agenda Item Number 18 Attachment B (Resolution Amending Salary Schedules) only, and 19-22a.

4. ~~Approval of Scope of Work and Evaluation Criteria for Request for Proposals for Design Development, Environmental Review and Preparation of Construction Cost Estimates for a New Downtown Parking Garage to be Built on the Existing Parking Lot D.~~
5. Approval of an Assignment and Assumption Agreement to the Lease Between the City of Palo Alto, R&T Restaurant Corporation and Hee King Bistro Inc. for the Palo Alto Municipal Golf Course Restaurant.
6. Approval of a Contract With Spencon Construction, Inc. in the Amount of \$1,402,581 for the 2016 Sidewalk, Curb and Gutter Repairs Project.
7. Approval of Amendment Number 1 to Contract Number C13149733 With Clean Harbors Environmental Services, Inc. in the Amount of \$103,135 for a Total Compensation not to Exceed \$679,692 for the Transport and Disposal of Ash and Sludge for the Regional Water Quality Control Plant.
8. Approval of Contract Number C16161210 With Shah Kawasaki Architects in the Total Amount not to Exceed \$599,052 to Provide Architectural Design Services for Fire Station 3 Replacement - Capital Improvement Program Project PE- 15003.

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9. Authorization to Operate the Golf Course From January 1, 2016 to June 30, 2016 and Budget Amendment Ordinance 5366 Entitled, "Budget Amendment Ordinance of the Council of the City of Palo Alto to Increase Golf Course Revenues Estimate in the Amount of \$600,956 and Provide Additional Expense Appropriation in the Amount of \$600,956."
10. Approval of the Fire Insurance Settlement Payment of \$553,599 From State Farm Insurance Company for the Property Owned by the City of Palo Alto and Frank Benest at 2257 Bryant Street and Authority to Sell Property.
11. Approval of Amendment Number 1 to C & S Engineers, Inc. Contract Number C151555208A to Include Required Federal Contract Provisions and to Increase the Contract by \$650,000 for a Total Not-to-Exceed Amount of \$900,000 for Professional Engineering and Design Services; Approval of Amendment Number 1 to Mead & Hunt, Inc. Contract Number C151555208B to Include Federal Contract Provisions; and Budget Amendment Ordinance 5367 Entitled, "Budget Amendment Ordinance of the Council of the City of Palo Alto to Close the Airfield Electrical Evaluation/Study Project (AP-16001) and Reduce the Anticipated Federal Aviation Administration (FAA) Reimbursement in the Amount of \$90,000 and Restore Available Project Budget of \$123,415 to the Airport Enterprise Fund; and Establish the Airport Perimeter Fencing Project (AP-16003) in the Amount of \$179,838 and Increase the Anticipated FAA Reimbursement in the Amount of \$161,854; and Increase the Ending Fund Balance in the Airport Enterprise Fund by \$15,431."
12. Resolution 9566 Entitled, "Resolution of the Council of the City of Palo Alto to Adopt Healthy Social, Cultural and Physical Environments that Promote and Support Wellbeing and Creative Expression for Ourselves, Our Families and Our Community in Support a of Healthy City/Healthy Community."
13. Resolution 9567 Entitled, "Resolution of the Council of the City of Palo Alto Amending the Memorandum of Agreement for Service Employees International Union (SEIU), Local 521 to: 1) Increase the Salary Range for the "Traffic Operations Lead" Position in the Planning and Community Environment (PCE) Department, and 2) Change the Classification Title to "Traffic Engineering Lead"; and Adoption of a Related Ordinance Amending the Table of Organization."

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14. Approval of Seven Separate Three-Year Contracts With Bodhtree Solutions, Inc., Sierra Infosys, Inc., HPC Heck & Partner Consulting, Inc. dba: HPC America, Techlink Systems, Inc., Quintel-MC, Inc., DGN Technologies, Inc., and Khalid Salman Mohammed for SAP Professional Services in a Total Amount not to Exceed \$250,000 Annually for all Seven Contracts.
15. Approval of and Authorization for the City Manager to Execute an Amendment to Contract Number C15154740 With DNV GL Energy Services USA Inc. to Extend the Term Through June 30, 2017 and to Increase the Compensation by \$31,200 for a Total not to Exceed Amount of \$265,129; and Budget Amendment Ordinance 5368 Entitled, "Budget Amendment Ordinance of the Council of the City of Palo Alto for Fiscal Year 2016 to Provide an Appropriation in the Amount of \$32,100 From the General Fund Budget Stabilization Reserve."
16. Amendment of the Table of Organization to add One Full-Time Equivalent (FTE) Project Manager to the Public Works Department to Implement and Maintain the Infrastructure Management System, and to Coordinate Regular Reporting to Council and the Public on Infrastructure Status, Capital Improvement Projects Status, and the Infrastructure Plan, and Budget Amendment Ordinance 5369.
17. ~~Adoption of an Ordinance Amending Municipal Code Section 2.04.200 to Move the Day of Policy and Services and Finance Committee Meetings From Tuesdays to Wednesdays Beginning in 2016.~~
18. Approval of a Contract for Prevailing and Minimum Wage Contract Compliance Program in the Amount of \$189,000, Adoption of Resolution 9568 Entitled, "Resolution of the Council of the City of Palo Alto Increasing Palo Alto SEIU Hourly and Limited Hourly Employee Wage Rates to Reflect Implementation of City's Minimum Wage Ordinance" and Adoption of a Related Budget Amendment Ordinance."
19. Adoption of an Ordinance Amending Municipal Code Section 2.07.010 to Update Post Government Employment Regulations to Include all City Department Heads.
20. Authorize the City Manager or his Designee to Execute the Revised Agreement Which Would Allow the Palo Alto Police Department to Provide Law Enforcement Services to the new Levi's Stadium in Santa Clara With Respect to Increased Security During the 2016 Super Bowl.

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21. Confirmation of Appointment of Rumi Portillo as Director of Human Resources (Chief People Officer) and Approval of Employment Agreement.
22. Palo Alto Fire Department Quarterly Performance Report for First Quarter Fiscal Year 2016.
- 22a. Approval of Amendment Number Three to the Palo Alto-Stanford Fire Protection Agreement With the Board of Trustees of the Leland Stanford Junior University Extending the Term for One Year for a Total Fee of \$6.5 Million, and Approval of a Related Budget Amendment Ordinance Reducing the General Fund Budget Stabilization Reserve by \$675,000 to Offset a Reduction in FY 2016 Fire Department Revenues. (Continued from December 07, 2015) (STAFF REQUESTS THIS ITEM BE CONTINUED TO JANUARY 11, 2016).

Mayor Holman: Motion by Vice Mayor Schmid, second by Council Member Kniss, to approve the Consent Calendar as amended and stated. Vote on the board please. That passes unanimously.

**MOTION FOR AGENDA ITEM NUMBERS 5-16, 18-22a PASSED: 9-0**

Mayor Holman: City Manager, you have an introduction to make.

Mr. Keene: Thank you, Madam Mayor and Council Members. Assistant City Manager Suzanne Mason, Rumi Portillo, if you would come up to the podium there. Welcome you to the City of Palo Alto and invite you to say hi to the Council.

Rumi Portillo: Thank you so much. Thank you, Mayor and City Council. I'm just really pleased to join this outstanding team. I am aware of the just wonderful reputation that this leadership group has here and the employees. It was just so heartwarming to hear all the appreciation being expressed. I know that we have some challenges ahead on recruitment and retention. I bring 25 years of experience to help address that. I just bring a lot of enthusiasm and my love of human resources. I just am so excited to get started. I'll be back January 19th to start my post. I really look forward to working for the City of Palo Alto. Thank you.

Mayor Holman: Thank you and welcome aboard.

## Action Items

23. Resolution 9569 Entitled, "Resolution of the Council of the City of Palo Alto Declaring Weeds to be a Public Nuisance and Setting January 11<sup>th</sup>,

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2016 for a Public Hearing for Objections to Proposed Weed Abatement."

Mayor Holman: With that then, we move to Item Number 23, our first Action Item. This is adoption of a Resolution declaring weeds to be a public nuisance and setting January 11, 2016 for a public hearing for objections to proposed weed abatement. Do we have a motion please? I will move Item Number 23, and looking for a second.

Council Member Berman: Second.

**MOTION:** Mayor Holman moved, seconded by Council Member Berman to:

- A. Adopt a Resolution declaring weeds to be a public nuisance and setting January 11th, 2016 for a Public Hearing; and
- B. Direct Staff to publish a Notice of the Public Hearing in accordance with the provisions of the Palo Alto Municipal Code.

Mayor Holman: Motion by Mayor Holman, second by Council Member Berman, to approve Item Number 23. With that, vote on the board please. That passes—if Council Member Kniss will join us. That passes unanimously.

**MOTION PASSED:** 9-0

James Keene, City Manager: Madam Mayor, just in case nobody read the Staff Report, which I could understand why they would not, this is a requirement under State law that the City must pursue. This isn't a kind of initiative that the Council decided to take on its own and take this action. It's a compliance requirement from those above.

Mayor Holman: It is not a new Council Priority.

- 24. Conceptual Approval of Expanded Boundaries for the Downtown Residential Preferential Parking (RPP) Program and Council Direction on Parameters for Phase Two of the Program.

Mayor Holman: With that, we move then to Item Number 24. We will have some recusals by Council Members including myself. This is the conceptual approval of expanded boundaries for the Downtown Residential Preferential Parking (RPP) Program and Council direction on parameters for Phase 2 of the Program. We have recusals by a number of Council Members, all to my right. Council Member Berman, would you care to start?

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Council Member Berman: I would love to. Thank you, Madam Mayor. I'm going to recuse myself from this item due to real property interests that I have within the current RPP District.

Mayor Holman: Council Member Scharff.

Council Member Scharff: I'm not going to participate in this item. I actually don't believe I have a conflict, but I'm going to actually ask the FPPC. In an abundance of caution, I'm going to step out.

Mayor Holman: Council Member Filseth.

Council Member Filseth: My house is in the affected area, and so I'm going to step out as well.

Mayor Holman: My situation is the same. I own real property in the boundaries of the proposed and existing District, so I will also not be participating. I will turn the meeting over to Vice Mayor Schmid.

James Keene, City Manager: Madam Mayor, I also need to state that I own property within the Downtown Residential Permit Parking District. I will have to recuse myself also from the meeting.

Mayor Holman: Thank you all, and we will ...

Mr. Keene: Excuse me. This item of the meeting.

Mayor Holman: Thank you all. We will be rejoining you after this item. Good luck.

Vice Mayor Schmid: If I could call the meeting back to order. We're on Item Number 24, approval of expanded boundaries for the Downtown Residential Preferential Parking Program. Staff, do you want to kick it off?

Joshuah Mello, Chief Transportation Officer: Greetings, Mayor, members—Vice Mayor, members of Council. I'm Josh Mello, the City's Chief Transportation Official. I'm joined this evening for the presentation by Sue-Ellen Atkinson, who is our Parking Operations Lead. It's actually her birthday today, so please go easy on her. Coincidentally, it's also Jessica Sullivan's birthday, so I volunteered to stand in for her this evening. She's out having dinner, hopefully. I'm going to turn it over to Sue-Ellen, who's going to give you a brief presentation, and then we'll be glad to answer any questions.

Sue-Ellen Atkinson, Parking Operations Lead: Good evening. Thanks for having us. There's nowhere I would rather be tonight. Tonight we're going

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to go over a brief summary of Phase 1, implementation of the Downtown Residential Preferential Parking Program, including the permit types and sales that we've seen so far in Phase 1, our data collection efforts thus far, and the existing garage permits and occupancies in Downtown Palo Alto. We'll then go into the stakeholder process and feedback feeding into the boundary recommendations and the Phase 2 options that we'll be discussing, and then provide the Staff recommendation for Phase 2 of RPP moving forward. This slide is likely very familiar to you all at this point. For us, it's a touchstone, a reminder of the comprehensive transportation efforts that we're undertaking here in Palo Alto. The three-legged stool as we like to call it, between parking management, transportation demand reduction, TDM, and parking supply measures. You'll see RPP is primary among parking management supported by a parking technology program that we have a stakeholder group convened on, garage wayfinding that's headed into design, and the paid parking study that we'll be kicking off shortly. As a reminder of how we got here today. January 2014, Council directed Staff to develop the RPP Ordinance and the Downtown RPP Resolution. In March 2014, the Downtown RPP stakeholder group began working with Staff. Staff came to Council just a year ago, December 2014, with the Citywide RPP Ordinance and Downtown Resolution. Since then, we've been working with consultants to bring them under contract, start work on the Phase 1 of RPP. In August, the RPP permit sales website went live, offering online permit sales for the RPP Program. On September 15th of this year, enforcement of the Downtown RPP Program began with Phase 1. In Phase 1, we've seen very good permit sales happening. Just to give a little bit of clarity on this chart that was included in the Staff Report, there have been about 4,000 long-term resident permits; that's the resident standard permit that gives residents the ability to park on-street in the Downtown RPP District at any time for the 6 months of Phase 1. Looking at the employee long-term permits, we've sold about 1,500, fairly evenly split between the standard permit and the reduced-price permit. Looking at the current garage permit and utilization, we're seeing small—actually that's changed today. You'll see there the number of vehicles on the wait list. It says that it fluctuates daily; it fluctuates just about hourly. We have about two to five vehicles on each wait list right now. The Civic Center garage has a long wait list, up around 120 as of today. We have valet programs on the ground at the Bryant-Lytton garage, Lot S, and the High Street, Lot R. We've increased the permit caps since RPP and also in recognition of those valet programs. They're, thus, selling additional permits in the Downtown garages to offer additional off-street parking options. This slide goes into the data collection that we've been undertaking. Staff has been collecting data in what is now the Downtown RPP District since about 2011. It's a little cut off here. The slide on the left is pre-RPP, so that's spring 2015. The slide on the right is just a few weeks, fall 2014, post-RPP. It's small print, but what you'll see

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there is the red streets show 85 percent and higher parking occupancy. What that means in layman's terms is it's really hard to find a parking space on those streets. Anywhere that's showing red on the left or the right is pretty parked up. What we're seeing post-RPP is a higher prevalence of yellow blocks as opposed to red, which means that there are some parking spaces available. We're still seeing a high concentration of parking close to Downtown. Overall, RPP has shown a reduction of about 300-400 vehicles from the Downtown District. This is all at the noon time hour. Data collection happening between noon and 2:00 p.m. This is a total occupancy count, every single car that's on the street. Looking specifically at where employees are parking, this is a map showing where employee permits are located. You'll see a concentration in the dark blue, closer to Downtown. As expected, employees are parking closer to Downtown, trying to shorten the walk to where they're working. You'll see average occupancy near Downtown is about 32 percent for employees. Towards the outer fringes of the Downtown RPP District, it goes down to about 10 percent, very much showing that they're clustering towards Downtown. That brings in the stakeholder feedback for Phase 2. The stakeholder group has convened seven times to strategize on the Phase 1 implementation and discuss the Phase 2 structure. They've participated in a workshop session in October where they broke up into groups to discuss Phase 2, looking forward. Tying in the previous slide, I would be remiss if I did not thank the stakeholders for their intrepid data collection help. They were invaluable in collecting data in Downtown North, and we very much appreciate that. Coming out of that October workshop session, there was a consensus on a few important points among the stakeholders; that Phase 1 was largely pretty successful in reducing the vehicles that are parking Downtown, and that the parking intrusion by nonresidents is manageable on most streets. Not all, but most. They were divided in feedback on some points though. There was not a consensus on how to distribute nonresident parking throughout the Downtown RPP District, and there was not a consensus on if nonresident permit sales should be limited and, if they should be limited, at what level. That brings us into the four main objectives that we looked at when we were developing our Phase two recommendations. The first objective is to take that clustering of employee vehicles parking near Downtown and disperse that throughout the District. The second objective is to determine whether and how to limit employee permit sales within the Downtown RPP District. With that, we want to also anticipate spillover to new areas, not just simply adding more areas into the RPP District but being mindful that parking spillover will occur to adjacent areas, and to provide an option for those areas to petition and opt into the Downtown RPP District when they deem necessary. This is the existing Downtown RPP District, as we're all very familiar with now. What we saw, as Staff anticipated, was parking spillover that affected the adjacent neighborhoods to this District. The yellow dotted



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lines are streets where we have received feedback and petitions from residents to join the Downtown RPP District. Taking those petitions plus our desire to look at this globally and in a comprehensive effort, really examine where the parking spillover might happen, we looked at the walking distance in relation to the Downtown core. This slide is showing—it's a little difficult to read. I apologize for that. You'll see the Downtown RPP existing boundary in green. Then you'll see a gray line and a red line. Those represent the quarter-mile walking distance from the Downtown core and the half-mile walking distance from the Downtown core. Half mile is the agreed upon distance that is reasonable to expect people to walk to transit. We applied that as the reasonable distance for people to walk for free parking. In doing so, we saw the streets that have applied with petitions, and we also saw some larger areas where parking spillover is likely to happen. Going back to our existing boundary, what we would recommend is to annex the streets that have submitted the petitions. Those are those streets marked in yellow. Then approve eligibility areas for inclusion when and if the residents submit a petition in the future. Bringing it together, the proposed RPP boundary would look like this figure. In terms of distributing employee parking throughout the Downtown RPP District, Staff proposed with stakeholder feedback three options. The first option is concentric zones that radiate out from the Downtown core. The employee permits would be specific to a zone. If you went online and purchased a Zone A permit, you would be restricted to parking just in Zone A. This proposal was received well by many stakeholders. Some stakeholders suggested that this concept could be changed into smaller additional concentric areas as an alternative. Just to make that clear, these zone boundaries are just concept only. The second option was a large neighborhood zone where the District would be divided into neighborhoods. Again, the permits would be specific to a zone. This option was not very popular amongst the stakeholder group. The third option is a micro zone model where the RPP District is divided into small zones closest to Downtown and larger zones as you get out. Again, this figure is concept only. The boundaries would be determined if Council directs Staff to move ahead with this proposal. This format is easily adaptable to adding new zones and is reminiscent of other RPP Programs in other cities. We also did a very simplified analysis of overall parking demand over time. In keeping with local, regional and State goals of reducing drive-alone rates over time and City Council's goal of reducing drive-alone rate by 30 percent, what we're looking at is a total demand for parking that decreases over time through 2030. At the same time, Staff is recommending a decrease in RPP employee permits over time with a recognition that the off-street parking supply, both public and private, over time will be expected to meet the demand for parking in Downtown Palo Alto. Again, this is simplified, so there are other factors that need to be taken into account. This is a demonstration of how RPP employee permits

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can be reduced over time. Moving into Phase 2, we've identified some additional budget needs to get that Program started at the end of March/early April. The first is onsite customer support for permit sales at the beginning of Phase 2. We had a contractor onsite for 2 months, roughly 6-8 weeks to assist with customer service. Budget is also needed for physical permits. Phase 1 has largely paper permits, and Staff recommends providing budget to furnish physical permits. Then additional enforcement would be necessary for annexed streets and approved additional areas. To wrap-up, recommendation would be that City Council conceptually approve the annexation of streets that have petitioned into the Downtown RPP District and the new eligibility areas to petition at a later date as an administrative action. We recommend that City Council direct Staff to return with a Resolution and an Ordinance in early 2016 to implement the proposed boundary changes and parameters for Phase 2 of the Downtown RPP Program. Staff recommends that City Council direct Staff to return at that time with an analysis of Program costs and revenue. Looking ahead towards next steps. We are here in December 2015 for City Council action. We recommend a direction to return in early 2016 with a Resolution and Ordinance. Looking out towards February to March, would see sign installation and modification in the Downtown RPP District, installing new signs and affixing zone designations to existing signs. March 2016, the Phase 2 permits would go on sale. Late March to early April 2016, Phase 2 would begin. With that, we conclude the presentation.

Mr. Mello: Thank you. I hope that provides you with enough information in order for you to make your decision this evening, along with the Staff Report. We did try to incorporate answers to some of the questions we received more recently into the presentation. I hope we were successful at that.

Vice Mayor Schmid: Thanks, Staff, very much for the presentation and for all the work you've done over the last year to get us where we are today; in the midst of Phase 1, prepared for Phase 2. Thank you for that. I have a total of 26 people who have put in cards. I think what we will do—we'll give everyone 2 minutes to speak, if you could adjust what you want to say to that timeline. The first speaker is actually Neilson Buchanan, who has five speakers have given him their minutes, so he will have 10 minutes to kick off. The speaker after that will be Chop Keenan. Welcome.

Neilson Buchanan, speaking for 5 persons: My turn?

Vice Mayor Schmid: Yes.

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Mr. Buchanan: I just had to substitute two people in place of people I originally submitted, because they had to go make international business calls to Asia. I want to take my time and put it into two segments. The first segment is use Downtown North as an example of how permit parking can go forward as planned on Phase 2. I think the ball is really on the tee for you to hit at this point. As everyone acknowledges, the Staff has really done a terrific job on a very tough issue, an issue that Councils have been deferring for the last 10 years. There's just no way you can take a problem that's been deferred that long without getting into the grist mill. I don't have time to thank them for every detail. It wasn't a perfect job, but it was a job as well as it could possibly be done under the Staff shortages that they labor with on so many different things. There's a second irony that I'll finish my remarks with besides the irony of me talking against a garage. First about Downtown North. If you imagined a checkerboard with 1,400 little squares on it, that's what the parking situation in Downtown North is. That's the total number of practical places to park cars, about 1,400. The puzzle is how are you going to distribute and put people on those particular parking spaces. To make a long story short, I think we have enough data—Lord knows I know the data backwards and forwards—that I think it's conceivable that Phase 2 start with the allocation of 400 or 600 of those 1,400 parking spaces in Downtown North. That means Downtown North, however you want to issue the permits, would be a commercial parking lot for 400 or 500 or 600 cars. It's the biggest all-day parking garage in the whole Downtown core. That's, to me, a very generous way to start taking a look at it. It's not as if the residents don't need parking spots. It's not as if we don't need some vacant spots for people to find their way. Go back to the 1,400-square checkerboard. Some kind of zones, concentric zones, are probably a good idea. Let's assume there's three, then you have to slice Downtown North, which is basically a larger rectangle, into three components. You can slice it anyway you want to. You can allocate 500, 400 or 600 parking spots within those zones. In Phase 2—it won't be perfect—you could give that a try, and that's what I hope you'll do, and then see what the distribution would be. If you don't address distribution in some fashion, all the cars will be parked exactly as I've submitted to you. We have 14 blocks that are totally saturated; 25 blocks that are fairly reasonable. Parking is just like the high school thing. You remember when you got little steel filings and put a magnet under it, and you move the magnet around. The magnet is University Avenue. Unless you have a distribution plan, all the cars are going to simply be pulled by gravity, fluid dynamics, closest. I don't have any aspirations that the distribution system will be particularly helpful to the neighborhood quality. By using some zones, you could get some redistribution. We have neighbors, particularly those that are around Everett between Alma and Cowper, that have no parking space. If anybody leaves a parking space in the middle of the day, within 20 minutes

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somebody takes it. What we're approving in Phase 1 is that we've got great relief for part of the neighborhood and no relief for the other part. That is really where we're going to do. We're going to have to go into a period of continuous improvement in Phase 2 to see how it really shakes out. I could cite any number of accomplishments that Jessica Sullivan and Sue-Ellen have done; I just want to pick out one of them. I don't know how they did it, but they broke the cycle of leaving the garages with a huge amount of empty parking spaces. I can't imagine what that must have been like, to wrestle that pig to the ground. They really have done a marvelous job of getting valet parking starting and filling up the garages that have been chronically empty. Almost—I'm not going to say that. Neglectfully the City Council had not been able to address it with Staff until now; it was addressed several months ago. Here's the irony, the second irony of tonight. Downtown North is a good illustration of it. Phase 2 is scheduled to begin 107 calendar days from now. We've got holidays; we've got all kinds of dead time in there. I didn't even bother to count up how many true working days Staff has got, but it is not many, to work out the details. I implore you to please give them the resources to hit that date. The irony of it is the start date is April Fool's Day. Let me tell you. I don't know where we residents will come in the titter-totter of power here, but I don't think many residents can be very happy if we prove to be fooled on April Fool's Day. I couldn't pick a better date for starting. I didn't pick it. Let me shift from Downtown North. That's the best, quick description I can tell you of the problem. I think it really can be done. I think so much work has been done by both the residents, the stakeholders. The ball is on the tee, and it's really up to the five of you to hit the ball down the fairway. The fairway is really narrow; it's 107 calendar days. Let me shift now from Downtown North to not the other neighborhoods in the permit district, but all neighborhoods in Palo Alto. What we have in University Avenue is a problem across all neighborhoods. If you don't show that you can address the problem that has been so clearly put on the table for the last 10 years, I'm so tired of clipping newspaper articles and sending it to you. I left my little tin can of kicking the can down the road, but I pulled out the *Palo Alto Weekly* editorial back when that kicking the can down the road. I hope I don't have to bring it back on April 1st. The bigger issue is not Downtown North; it's not University South; it's not Professorville; it's not Crescent Park. Actually what it really is is Old Palo Alto. What's interesting out of the beautiful mapping that the Staff has done, they actually left off one of the most vulnerable corners of the permit district. That's part of Old Palo Alto. It's the corner between Embarcadero, Alma and Kellogg. It is in minutes, just a few hundred feet, of the permit district. One of the things that probably needs to be adjusted, just to illustrate the fact it hit so many other neighborhoods, is that funny little corner. The triangle really represents all the other neighborhoods in Palo Alto. Let me close on that. I generally like

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to be the very last speaker when I speak to the Council. I can't do that tonight because we've got so many of my constituents that have school problems with their children. It's final exam time. There's a wave of illness that's gone through the schools. Just because there aren't a lot of people here tonight, let me assure that doesn't mean that—residents all over Palo Alto are watching what you do for this long effort, long march for permit parking. Thank you.

Vice Mayor Schmid: Thank you. Next speakers will be Chop Keenan, to be followed by Tricia Dolkas, and 2 minutes each.

Chop Keenan: Good evening. RPP is off to a great start. We're only a few months into it, but a lot of our original assumptions have proven to be true. We had a lot of poachers in there, Caltrain probably being the biggest. I encourage the additional annexation. The toothpaste effect needs to be addressed. I think Staff's recommendation is excellent in that respect. The 2000-unit cap is premature. If it is a discussion, I think it has to be in concert with more supply. It's the least able to pay who are going to be affected by RPP. The concentric zones that Neilson talked about, I think, are the way to go, but they need to be in combination with pricing and enforcement. The furthest zones need to be the cheapest. The closest zones need to be the most expensive. You need vigorous enforcement throughout RPP. The very cheapest zone needs to be more expensive than the \$2 a day in the City parking lots within the District, the objective being let's get the people who are working Downtown within the Parking Assessment District. The District is a co-op in support of common commerce. The retail retention that you are very interested in and the community is interested in depends on abundant parking. Those are my comments. Thanks so much.

Vice Mayor Schmid: Thank you. Next, Tricia Dolkas followed by Elizabeth Austin.

Tricia Dolkas: Hi. Tricia Dolkas. Nice to see you. I really am so pleased that the RPP has gotten this far. Thank you very much Staff, Council, everybody else who has worked so hard on it. It's definitely a great step in the right direction, but it is not enough. I live right across the street from Johnson Park. At first, the RPP gave us such sweet relief to the constant issues of safety, access and usability of property and access to the park. That's been going on for years, years and years. All kinds of stories. One time I had to have a car towed from my driveway because I couldn't get out of it to go to the airport. The countless times I've tried to back out and nearly get hit by a car because I can't see it because of the parked cars. It's been years. Now, it's kind of gone back to the way it was before, with what

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everybody said. I'm the 14 blocks that are completely impacted. I would just ask you to take the recommendations of adjusting it to have the zones. Definitely take into consideration Johnson Park because of the safety with all the children using the park. Thank you very much.

Vice Mayor Schmid: Thank you. Next speaker is Elizabeth Austin, to be followed by Mary Dimit.

Elizabeth Austin: Hi. Let's see. I'm just going to be really to the point. I live on Lytton between Guinda and the convergence of Palo Alto Way and Seneca. We submitted a petition. We've been totally impacted with cars. We can't find a place to park on our block. It's totally full because the boundary begins right at Guinda. Not only is our block completely full, but in the past it's a narrow street so what would have to happen is that if two cars were trying to pass, they would have to sort of use the available space that's now used by parked cars to sort of pull over and let a car pass. Now, it's like completely dangerous. My car's been sideswiped twice. My neighbor's car has been sideswiped. We had 100 percent participation on our petition. I also want to mention—I was talking with Sue-Ellen about this. I wrote this in the petition, but perhaps I should have more formally included it. I strongly urge you to include Palo Alto Avenue in this annex process, Palo Alto Avenue from Guinda to Lytton/Seneca, the convergence. If you look at a map, these streets all kind of converge. It's a short block. It's a very, very twisty road. It is highly dangerous to drive on period, because people come around the corner not expecting an oncoming car with the additional cars parked on that street. I wrote this in our petition. A woman almost head-on collisioned my car because she was more in the wrong lane due to the parked car on the side, if that makes any sense. My point is to please include in the annex this adjacent street. If we don't, it will be completely dangerous and impacted. Again this street is Palo Alto Avenue from Guinda. Thank you.

Vice Mayor Schmid: Thank you very much. Next speaker is Mary Dimit, to be followed by Perry Irvine.

Mary Dimit: Hi, good evening. I'm Mary Dimit; I live at University Avenue and Guinda Street. I've lived there for 30 years, and we're on the edge of the Residential Parking Permit Program now. Thanks also to Staff, Jessica and Sue-Ellen. We now have places to park on our street, but the streets right next to us are completely full for several blocks. I wanted to follow-up on what the last speaker said. My request is to consider blocks have different needs. Like she was mentioning Palo Alto Avenue with the curve, there are other blocks that have no parking on one side of the street, multifamily where you might have 50 units on that block where the next

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block over only has 12 homes on that block, which have driveways and garages while the multifamily doesn't. There are many reasons to consider some block issues. The second item is about what Neilson mentioned about distribution of the employee parking within the zones. The streets closest to the edge of the zones closest to Downtown are the ones that are going to be packed, like a number of the streets are now closest to the Downtown, while the outer sides of the zones will have some parking. If there's some way to better distribute employee parking, whether it's having parking on one side of the street and the other side of the street be open to residents and the second side of the street be open to employees or residents. That is one idea. The third point was concern about the continuing spread of the employee parking to the farther district. I know Sue-Ellen mentioned about half a mile. For 7 years, I worked in San Francisco. I walked almost a mile to Caltrain every day. When I got to San Francisco, I walked over a mile to get to my office Downtown. People will walk. Thank you very much.

Vice Mayor Schmid: Thank you very much. Next speaker is Perry Irvine, to be followed by Fred Kohler.

Perry A. Irvine: Good evening. My name's Perry Irvine. I live at 1135 Waverley. We're the second house in from Lincoln. From the day the Program was instituted, the parking in front of our house and our entire block going well into the next block and then (inaudible) has been completely impacted. Anybody coming to visit us simply has no place to park unless they park in our driveway. Leslie Evers and I went around and gathered signatures on a petition. We had 18 out of 20 people in the neighborhood sign. The Staff has recommended that we be included, and we think we should be included. I would say that, as far as setting up the concentric zones is concerned, what we've seen is that people park where it's the least expensive. If you put a border on Lincoln, they'll be parking in front of our house if it's more expensive to park in the next block or closer to Downtown. You may not relieve the problem by simply adopting concentric zones with less expensive parking further away. You've got to come up with a greater solution for this. I also own 635 Bryant Street, across the street. For many years, we were assessed, I think, about \$90,000 to build the parking garages. The day that we first started looking around, I went down on a Friday at noon, and my wife and I both went to the top floors of each of the parking garages. There were no cars. I've got pictures to show it. This may have improved. The other thing that has been deferred on the expansion, building another parking garage. We've seen for a long time that it doesn't necessarily solve the problem. Thank you.

Vice Mayor Schmid: Thank you, Perry. Next speaker is Fred Kohler, to be followed by Eileen Skrabutenas.

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Fred Kohler: Fred Kohler, 315 Homer Avenue. Phase 1 has identified the employees who use residential parking, at least those who are willing to pay for it. This is a major step forward; however, as people have mentioned, the blocks in RPP closest to the Downtown core, roughly the inner half of the RPP, have seen little to no relief in the parking situation. This is an issue not just for the residents themselves but for visitors to the area and guests of the residents. The employees who have paid for RPP permits understandably park on the blocks that are closest to the Downtown core. Meanwhile, the outer blocks of the RPP have a significant amount of parking availability, while the blocks just outside the RPP boundary are jammed with employees who have not obtained permits. The zone schemes that are proposed will be difficult to administer and enforce and complex for the employees and the residents to easily understand and accept. No matter how granular the zones are, the streets closest to the inner boundaries will be overwhelmed by employee parking unless the number of employee permits is set unrealistically low. As some other people have mentioned, I suggest restricting employee parking to one side of each street in the RPP. Although residents will use some of these spots during the day, almost half of the RPP will be available for employee parking. With the expansion of the RPP boundaries, there should be no problem accommodating demand. The maximum 2,000 employee cars will be spread throughout the RPP District, and it will leave one side of each block exclusively for visitors, guests and even residents on streets adjacent to the Downtown core, who have not seen any improvement yet. Having separate permit codes for employees and residents such as "R" and "E" and marking the newly installed signage with the valid permit code will be much easier to implement than a complex zone system.

Vice Mayor Schmid: Thank you. Next speaker is Eileen Skrabutenas, followed by Brian Quo.

Eileen Skrabutenas: Hello, thank you. Eileen Skrabutenas. I live at 1044 Hamilton. I'm at the nexus of Chaucer and Hamilton. I would like to request that, whatever your concentric zone recommendations are, you absolutely must count on any nearby, adjacent street is going to be impacted. I would encourage you to revisit the quarter and half-mile walking distance boundaries. It has been evident to residents on our street that the people who are parking just outside the RPP Zone to go into Downtown are willing to walk almost any distance. If they're not willing to walk, they open their trunks, pull out scooters and scoot their way to where they work Downtown. Please take a moment to review your assumptions about how much trouble people are willing to go to in order to get free parking. It is incredible what they will do. Thank you.



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Vice Mayor Schmid: Thank you. Next speaker is Brian Quo, to be followed by Benjamin Cintz.

Brian Quo: Hi. My name is Brian Quo. I want to thank you for allowing me to come and speak to you. I have a business in the SOFA District; I'm a dentist. I also live in Palo Alto as well. I have six employees. Of course, all six of those employees need to park somewhat close to my office. They all have small children as well. If they get called by their school or if their grandmother takes care of their child or they're sick, they have to be able to leave in a somewhat fast manner. I know the plan is to eventually eliminate all parking for employees. I don't know if that's shortsighted or not. Starting this coming 6 months to decrease by 10 percent or so, to start eliminating parking for employees, I think that's not good for business. I think it's going to chase businesses away, especially like mine. I rely upon—a majority of my patients are coming from Palo Alto, and they're coming from the Downtown area, because we see most patients who go to Addison, who go to other schools in the area. I think it's going to affect a lot of the businesses in the area. Thank you.

Vice Mayor Schmid: Thank you. Next speaker is Benjamin Cintz, followed by Russ Cohen.

Benjamin Cintz: Good evening, Council. My name's Benjamin Cintz. I sent an email earlier today to all the members of the Council setting forth three areas that I wanted to address in connection with RPP. I am a member of the stakeholder group and have participated in the meetings. I agree—essentially there are three areas. The first which I'll discuss is which option to use. I think the concentric zones of the options that have been proposed is the one that makes the most sense, both for residents and for businesses, in that it allows people who are employees, if they're working north of Downtown, to be closer to where they work, and those south of Downtown to be closer also, so that we have a more efficient use of the parking. The issue with the zones is going to be how do you stop people from clumping close—using the streets that are closest to Downtown. I think that's something that Staff needs to look at more closely. I believe that Sue-Ellen indicated they will be doing that in terms of tweaking the concentric zones. Two other points that I made related to the subject of the 2,000 employee permit max and the 10 percent reduction per year over a period of 10 years. I did not hear Sue-Ellen address those in her presentation. I did hear her say that the 10 percent reduction was based on a simple analysis. I would agree with that. I think more data needs to be gathered before any action is taken in terms of any reduction. I think there needs to be a balance between employee parking and resident parking. An elimination over a period of 10 years, I think, will very adversely affect Downtown. The last

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point I would like to make is just that I think the 2,000 limit should be viewed as a goal not as a cap. Thank you.

Vice Mayor Schmid: Thank you. Next speaker is Russ Cohen, followed by Lydia Callaghan.

Russ Cohen: Honorable members of the Council, Russ Cohen, Executive Director of the Palo Alto Downtown Business and Professional Association. I have recently outlined concerns regarding the expansion of the RPP Zone and the possible capping of employee permits in a letter you have before you. There are very specific concerns and observations listed in my letter I will not repeat here. In short, while I was not a member of the stakeholders group, I did attend almost every meeting of the stakeholders group. Recognizing that the business community has worked collaboratively with the City on the RPP Program because we recognize the problem. We want RPP to be successful not only for the residents but for the business community as well. However, expanding the RPP Zone and/or capping the number of employee permits and reducing the number of permits over time will restrict parking even further for employees who can least afford the cost nor the added inconvenience that these actions will put an undue hardship on this sector of employee. In turn, working in Downtown Palo Alto would become more difficult. In turn, attracting employees and running a business will become more difficult. In turn, opening a business will become so difficult in the future that Downtown Palo Alto will no longer be an attractive option. Let us avoid "parkageddon." I strongly urge you to neither expand the RPP Zone during Phase 1's data gathering period nor cap the sales of permits for employees in order to avoid the consequences. Let us continue to reap the rewards of a thriving Downtown. Let us not peck to death the goose that laid the golden egg. Thank you.

Vice Mayor Schmid: Thank you. Next speaker is Lydia Callaghan, followed by Judy Kleinberg.

Lydia Callaghan: Hello, good evening everyone, good evening Vice Mayor, Council, Staff. Thank you, Sue-Ellen, so much for your hard work and presentation. I'm here with my neighbors. We submitted a petition for the 800 and 900 blocks of Hamilton Avenue and the 500 and 600 blocks of Seneca. While I love our Downtown and development, when RPP Phase 1 started in September, it was like someone flipped a switch. Our blocks became so congested. I actually relocated here from Brooklyn Heights. It suddenly felt like I was back in New York City. Mainly we wanted to speak to the safety issues that we feel this causes and to really urge you to consider the proposed boundary extension of the RPP. Our driveways have been blocked. People park right up against the driveway. There's been a lot

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of development on Hamilton Avenue. Our blocks are cut-throughs to 101, so there's just huge traffic at rush hour. It's very difficult to see when you're leaving your driveway the traffic. Also, there's a number of school-age children on our blocks, and we feel that it's just a real safety issue. It's not just an inconvenience but a very important issue for the community. Again, we just wanted to urge you to consider the extension of the boundary. Thank you.

Vice Mayor Schmid: Thank you. Next speaker is Judy Kleinberg followed by David Bower.

Judy Kleinberg: Thank you. Judy Kleinberg, the CEO of the Palo Alto Chamber of Commerce. On behalf of the Chamber of Commerce, I want to reiterate our support of a fair RPP Program but express our deep concern of the business community regarding the Staff recommendation to completely eliminate employee parking permits in 10 years. By 2025, it's proposed to have no employee parking permits at all. Expanding the RPP Zone makes sense; it's fair. Eliminating parking permits for nonresidents is a dangerous proposal. Employees who work but don't or can't afford to live in Palo Alto will have no legal place to park on surface streets near their jobs Downtown. It's hard enough now to get employees to work in Palo Alto. There are help wanted signs all over Downtown. You've seen them yourself. On one hand, you talk about preserving small business and retail, but a prohibition of employee parking permits would dramatically impact those very retailers and small businesses that you're trying to protect from finding employees who can't afford to live nearby. By eliminating the employee parking permit program, new businesses won't choose to locate in Palo Alto. If they do, then their employees who must drive and can't get garage permits will park further out into the neighborhoods beyond your expanded concentric circles, further creating a problem rather than solving it. Let's solve this problem by tying this Program to building enough affordable housing so employees won't need a car or building garages for employees to park or expanding the shuttle service from outlying transit centers and City-owned properties. Slowly eliminating employee parking permits on top of high rents, the lack of affordable housing, the waiting list for garage permits, the minimum wage hike and a likely business license tax will gradually strangle our local small businesses and eventually amount to death by a thousand cuts. Please reconsider this part of the proposal. Thank you.

Vice Mayor Schmid: Thank you. Next speaker is David Bower, to be followed by Adina Levin.

David Bower: Good evening, Vice Mayor Schmid and Council Members. I want to make four quick requests. One—first thank Staff for the thorough

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research they've done on this and the success they've had at least initially in getting the Downtown area a little less congested. I want to encourage the final version of this plan to only require blocks in these new expanded areas to opt in voluntarily, not be forced to opt in, so that the impact on, say, the Hamilton blocks that we've heard of from other people tonight, those neighbors can be part of this Program. I live on Boyce; we don't have that problem yet. I certainly don't want to be forced to pay to park in front of my house. I have a fundamental problem with having to pay to park on the street in front of my house. I've lived here 65 years; I've owned my house for 39. I remember when the City tried to stop parking on the streets in the '70s, and it was not popular and was pulled back. There is a real problem here, and I think the Staff is working in the right direction. Finally, the businesses in Downtown that have reaped enormous benefits from the popularity of this area really ought to be the ones paying the full cost of this Program. Those of us residents who live in the surrounding areas don't benefit from higher commercial rents. We don't benefit from higher commercial property values. The only way we recognize the increased values of our houses is when we sell them. Since I'm not planning on selling my house in this lifetime, I can't ever recognize that. Thank you for your consideration of this.

Vice Mayor Schmid: Thank you. Next speaker is Adina Levin, to be followed by Herb Borock.

Adina Levin: Good evening, Council Members. Adina Levin, Friends of Caltrain. First of all, congratulations on progress toward a Residential Parking Permit Program that is really helping to alleviate the issues with people being able to find parking on their street. Being able to extend the zones to be able to address that problem seems like a good idea, which brings to the question as to what problem is the RPP intended to solve. If someone is a resident and they cannot find parking on their block, that is a problem. Relieving that problem is a good goal. For folks who've read Professor Shoup's *The High Cost of Free Parking*, a key principle there is that if you have 15 percent or so free spaces on your block, you can find parking. If that's the case, then the problem is indeed solved. Since that's the case, it's not clear what benefit additionally would be gained by further and further drawing down. It would cause issues for the businesses. If a resident can find parking on their spot, you would think that hopefully that would be enough. In terms of helping to change the incentives for transportation, I would suggest that using price signals over time and having a concentric structure where the most popular spaces are priced at a higher level and further out for people who are willing to walk are more price sensitive. Utilizing those price signals to affect which people prefer to drive and which people prefer to use other modes might be a better way to go

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than to absolutely reduce the number by fiat. Lastly, for the safety issues that people have brought up, I suggest utilizing daylighting intersections, making sure the corners are clear so that if the parking is used, that there's visibility and addressing the safety problems. Thank you.

Vice Mayor Schmid: Thank you. Our next speaker is Herb Borock, and our last speaker is Richard Brand.

Herb Borock: Vice Mayor Schmid and Council Members, a year ago when you enacted the Resolution for this Program, Norm Beemer pointed out that when it came time to annex additional areas, there would be areas that didn't have an employee parking problem before you enacted it in the first place. I think it's a mistake to extend the employee program further into those areas. Any annexation should prohibit employee parking. I believe it had to be done by a Resolution because Staff has developed a paper trail that says a simple annexation that's not part of a Resolution would allow employee parking. A new Resolution would be required for those kinds of annexations that had employee parking in the current boundaries and no employee parking in the new boundaries. I don't think there should be a piecemeal annexation. We know from experience that if you extend it to one block, it'll just push it to another block. Using the boundaries of the full area would work best. A walking distance of a mile people will do to avoid paying anything. As explained, people with scooters and skateboards and bicycles will go further. Item 4 that was removed from the Agenda was for a 200-space parking garage, 214, said two separate things in the Staff Report. One, it was part of the strategy of excessive spillover parking. The other was it was part of the strategy for growth. If we're talking about reducing parking by 200 spaces a year, is it going to be in that 200-space garage? Then we'll need 10 garages. Another thing is the idea Judy Kleinberg and Neilson Buchanan talked about of housing Downtown. It seems to me if people want to live an urban lifestyle where they don't need a car, then people living in residences in the Downtown Parking Assessment District should not be able to buy a Residential Parking Permit. Thank you.

Vice Mayor Schmid: Thank you. Our last speaker is Richard Brand.

Richard Brand: Richard Brand, Professorville. Good evening again. Isn't it amazing? Two and a half years ago, RPP was an ugly child that a lot of people didn't want to touch and many spoke out against it. You know what? Now it's a beauty child. I applaud you Council Members who held fast and pushed Staff to instigate this Program. I think we're hearing the results of that. I also think that contrary to what people are saying, Phase 1 has not been as successful. It's helped. It's been a lot. In my area, curbs are full again. Phase 2 is what we have to move forward on. We do have enough

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data, and I think that's an important element. It's spotty because I live in the 900 block of Bryant, and that's totally booked up. Also, as people outside the District have said, those curbs are booked up as well. We've got to enlarge the District. I think that was part of what we learned. We stakeholders worked hard to work this. I urge the Council to ask Staff to continue the stakeholder process. We stakeholders volunteered to take data and go out on the streets and do some of the checking, because we still don't have enough data. We need more data; there's never enough data, I know. I would say that we do that. You have my letter. The other thing I want to say is I don't support the concentric circles. In 2 years from now, that may change, and those circles will be in the wrong place. What I and three other of my stakeholders in our subgroup supported was the so-called micro zone. I call it a macro zone. Ten to 12 zones can be identified with tags with a bar code or some sort of electronic reader, and you price them and phase them accordingly. A 2,000-permit limit penalizes the new workers just coming into the area. They need to drive to work, and there's no permits available. I think that's the wrong way to go. I think the best way to do it is do the micro zone and enlarge it to the area that Staff has recommended. Good job.

Vice Mayor Schmid: Thank you. Thanks to everyone who spent time to come and share thoughts. Your participation is essential for good decisions. There are only five of us up here on the dais. We need five to continue. It might be appropriate for us to take just 2 minutes to get up and stretch. Give us 2 minutes please.

Council took a break from 8:52 P.M. to 9:01 P.M.

Mayor Schmid: ... the Council comments and just to tell my colleagues that we will end up recommending either a Resolution or Ordinance or ask Staff to prepare one which needs five votes. We will be sensitive about working toward consensus. I think the best way to start as there is a lot of information is to give each Council Member 5 minutes for questions or comments, and then we'll come back to (crosstalk).

Council Member Kniss: Greg, could I ask a process question first?

Vice Mayor Schmid: Sure.

Council Member Kniss: Our recommendation that was in our handout tonight is somewhat different from that which is in the Staff write-up, which is on page 991 of your packet. When we get to those, I would prefer that we separate some of those out. I'd like to let people know that now.

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Vice Mayor Schmid: I think comments and questions can be on anything, because there's a lot of intersections, but when we ...

Council Member Kniss: I'll let others get started, and then I'll jump in. That was my process thing.

Vice Mayor Schmid: Anyone want to volunteer to start? Council Member DuBois.

Council Member DuBois: Did I push my button? That's ...

Vice Mayor Schmid: Council Member Wolbach. Sorry.

Council Member Wolbach: We're looking at a few different questions here. Key ones on my mind. How much do we want to expand? How fast do we want to expand? Do we want to force expansion or just expand the area by which a block or a neighborhood or a street asks to opt in? A question of how we distribute employee cars throughout the Parking District. How and whether we limit employee cars in total. There's some budget issues. A couple of things on my mind for right now, just to put them out there. I think that expanding or at least opening the option to expand to a half mile or even further makes sense. If we were going to just by fiat expand it, I wouldn't go more than a half mile from Downtown. If we are going to open up the option for blocks to opt in, I'd be open to going to three-quarters of a mile perhaps. I don't know if we can say exactly what the right distance is, but I'd be open to basically a broader distance. I wouldn't necessarily stop at Embarcadero. I don't see Embarcadero necessarily as a wall that anybody with a scooter or a skateboard or fold-up bike in the trunk of their car would refuse to cross. I'm sensitive to the possibility of parking expansion into Old Palo Alto. If we went right up to the border of Old Palo Alto at Embarcadero and the next week people in Old Palo Alto near Embarcadero discovered that their neighborhood was getting full of cars, I'd want us to be ready for that. That's what I'm thinking on the borders. On distribution, I actually thought the idea of preserving one side of the street on every street or allowing employees to only park on one side of the street on every street was an interesting idea. Aside from that, I'm kind of ambivalent at this point about whether concentric circles or micro zones would be best. Some members of the public and people who have been very focused on this advocating for micro zones. Staff and some other members of the public preferred concentric circles. I think the idea that wherever they are, employees could only park on one side of the street and not the other was really interesting. There's a safety issue that's kind of related to this, thinking about what happens on one side of the street or the other. I'm not sure this is necessarily the right time to talk about it, but I'll just say, since

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people brought it up, if any street in Palo Alto is too narrow for a car to be parked on the left and a car to be parked on the right and for two cars to pass each other in the middle without people running serious risk of sideswiping each other as they drive by each other or the cars, I think those streets we should look at very seriously, either converting them to one-way or moving parking on one side or the other entirely. The safety issues have to be paramount. I would put that ahead of the parking issues actually. Removing parking from one side is probably the easiest way to do that. On the question of a total limit and the possible reduction over time, I guess I'm at this point open to a total limit. I'm not 100 percent sure that 2,000 is the right limit. I'm not prepared to say we need to start ramping down though. I don't think that we're ready to make that decision yet. Again, I'm open to a total cap, but I'm okay at least for now with saying we'll indefinitely leave that cap. We can always reduce it over time if we decide too. I guess those are really my key thoughts for right now. I guess I would just kind of step back and summarize. We're really talking about parking for four groups. Parking for residents who live in the Downtown area and neighborhoods adjacent to Downtown. Parking for other residents in other parts of Palo Alto who come to Downtown to shop and enjoy the services or come to the City Council meetings or go to the movies. I'll wrap up real quick here. Third group, nonresidents, people from other cities who come here to spend their money and contribute to our economy and also to City revenues or visit their friends and to go out for dinner in Downtown or whatever. Lastly but not least, of course, parking for employees who, of course, are at various income levels. The real challenge is how do we balance all four of those groups, the Downtown residents, the residents from other neighborhoods in Palo Alto, folks visiting from other towns, and the employees. Those are my thoughts for the moment.

Vice Mayor Schmid: Thank you.

Hillary Gitelman, Planning and Community Environment Director: Vice Mayor Schmid?

Vice Mayor Schmid: Yes.

Ms. Gitelman: I'm sorry. Could I just clarify one point? Hillary Gitelman, the Planning Director. Before this snowballs, I wanted to clarify. I think one of the speakers and Council Member Wolbach just referred to potentially forcing people to be part of the District. That is not our recommendation. Our recommendation is where people have submitted petitions, they would be included in the District. Then, we're proposing this kind of eligibility area be established. In fact, it is that portion of our recommendation that would necessitate returning to you with the Ordinance that creates RPP Districts. I



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think all of our recommendations and all of our discussions have been about this concept where you would have to then opt in through petition. We'd like to create an administrative process for neighbors to do that. Just one more thought. I think the Staff and the stakeholders have talked over the last couple of years about the potential of actually designating spaces on the streets in one way or another for employee spaces. Tonight someone mentioned one side of the street versus the other. I think our feeling is that would be very, very difficult to do and not have neighbors fighting with each other about where those spots get designated. Our proposal, I think, consistently has been that we sell permits to employees, and then designate some kind of zone. We've talked about a couple of different configurations of where those permits would enable them to park. Thank you.

Vice Mayor Schmid: Thank you. Council Member Kniss.

Council Member Kniss: First, one of the things I'd like to say is particularly to Staff that this is something that's actually worked. It's not perfect yet. As we say, don't let what's really good get in the way of total perfection, because we actually have made some strides. It was great to hear from people like Neilson tonight who doesn't always see this in the same way. Chop tonight as well, and Richard Brand. We actually have made some progress. I don't want us to forget that. I think we might have put the cart before the horse a little on "C" where we go into "a" and "b." I'm looking at page 991. I'm concerned that we make too many determinative decisions now. What I'd like is that we do exactly what's on "a," which is approve the annexation. Whomever it was that lives on Hamilton, I was amazed the first day I came off of University and took Hamilton as my shortcut to City Hall. I thought someone was having a huge party. I was just amazed later to discover what was happening. Adjacent neighborhoods, absolutely who want to be eligible. I am not sure that people won't walk more than a half mile. As most of you know, I walk everyday 3 or 4 miles. It is not very far from my house to Downtown. You can do it in 15 or 20 minutes. I would not be surprised to see eventually this really fan out much further than simply a half mile. I think that becomes simply—that's an artificial limit. There are some areas of this—I think Neilson pointed out a couple of them. If you cross over Embarcadero—there's a light on Waverley, by the way, that's very popular—you would pick up some more of the streets that also are in this zone that could be Zone C. The piece of this that I have trouble with and wouldn't vote to do at this point, because I really think this is preemptive, if we limit employee permit sales to 2,000 permits within the proposed boundaries without even knowing how the proposed boundaries are going to work yet, and decrease the permit sales by 200 permits a year and, therefore, after 10 years no permits will be available, I really don't want to sit here tonight and make a decision about what could happen in 10

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years. I just think we're so far ahead of ourselves. I would say stay where we are for now, concentrate on those areas that are really working well. Some of them really are. The employee permits and you've gone into concentric rings of some kind or another, I'm not sure which one we might end up with. What I'm concerned about with that is how do we track the different permits that people have. How do we track the residents' permits versus the permits that are one price, the permits that are another price? Right now, because—as I said, I walk a lot. One of the first things I noticed was that I would go Downtown heading along the creek. Initially, everyone had the white slips that are in the front of the car. Now I'm seeing more hanging tags than I did before. Maybe one of the questions you can answer is how are we enforcing that at this point. How do we know who's who by what tag they have, and will we get more sophisticated about that? I think we really need to do that. Having said all that, I think I can support a good deal of what you've asked for tonight. Beyond that, again I think we should at least say, "We've made some progress here." You really can walk Downtown now, and you can tell. I don't know where Caltrain parkers have gone or maybe some Stanford folks. I'm not sure who else. There is lots of open space as you get close to the creek. Maybe they've found parking spots other places. Maybe we should find out where they found them, so that some other people could go there as well. I don't know what they've found. Maybe over by Caltrain. I think we're headed in a good direction. I appreciate—I know that, Sue-Ellen, you and Jessica have spent hours on this, and I really appreciate it. Thanks.

Vice Mayor Schmid: Thank you.

Ms. Atkinson: If I can speak to the question about permit differentiation?

Vice Mayor Schmid: Please, yeah.

Ms. Atkinson: Right now with the paper permits, there are different prefixes that are on the permits. DTR is a resident, "R" for resident. DTE is for employee. In the hangtags, they're different colors based on employee versus resident. In terms of the standard price employee permits and the reduced price permits, there was a conscientious decision for those to look identical, so that cars could not be determined which type of permit they were. Those either have the DTE paper permit or a blue hangtag.

Council Member Kniss: Thank you for that reminder. Can you tell what tag belongs to whom? Can whomever is checking the car tell who owns the tag or are the tags being traded around at this point?

Ms. Atkinson: The paper permits are vehicle-specific, and they have the make, model and license plate number and color on it. The enforcement

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officer is checking all of that. If there is a paper permit that's for a white Honda and it's on a black Toyota, they get a ticket. The hangtag permits are meant to be transferrable. Residents are able to purchase those for use by visitors. Businesses are able to purchase those for use by different employees. If somebody is working a morning shift, they can use it in the morning, and then the afternoon shift worker can use it then. Those are not vehicle specific.

Council Member Kniss: Have we seen resistance from businesses to buy permits for their employees?

Ms. Atkinson: In some cases in the beginning, yes. It was a change. When employees are accustomed to parking on-street without a permit, having to then navigate a new online permit system, have a permit, remember to keep the permit in their car, it's a change. There was some resistance initially to that. I think that people have settled into the Program fairly well. It's something that they're becoming more accustomed to.

Vice Mayor Kniss: I think that's maybe where some of our challenges in the future are going to be, though, with those. I am going to presume that we will work those out as our Council together with you as Staff. Thanks.

Vice Mayor Schmid: Council Member DuBois.

Council Member DuBois: First of all, a lot of thanks to Staff and to the Committee. It really is hard to start something new. Glad to see that it's up off the ground. It's clear that parking has value. I have a list of issues, and I'll probably rattle off questions. Maybe you can address them at the end. You answered some of my questions about issues around fraud and protection and knowing who's using these things. I'm curious how we detect people moving cars during the day into different zones. I do think Council needs more visibility into the TMA, and that's been brought up a couple of times in letters to us. I was curious if there was any feedback from retailers themselves in terms of customer parking. I agree with the comments about distance. I'm not sure half a mile is really a good measure in the age of scooters and bikes. I'm glad to see the garages filling up. It was interesting to see that the City garage has the longest waiting list and the highest vacancy at the same time. I would have liked to have seen more analysis of the data, the registration data. I'm curious do we see any patterns of high use of, say, hangtags from businesses or from residents. I've heard anecdotally there are Airbnb places that have 16 passes, so I'm curious if we saw any residents with an unusually high number of passes, that kind of thing. More broadly, is there any reason that some of that registration data couldn't be made public in an anonymized fashion? When you look at the

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data that was shown here, it'll look to be a range of 1,500 to 2,000 business permits. I'd actually like to see some discussion about 1,500 versus 2,000. Also, I think some of those cars have moved over to Menlo Park. It'd be good to know if we're being a good neighbor. How many people are going across the creek that may have been some of those Caltrain users that disappeared. I've also seen people raise issues about street sweeping. In Downtown, we have no parking on certain days for street cleaning. Now that we have people parking further out, the street cleaners aren't able to clean the streets anymore. That's a new issue. If we expand the area—we haven't talked about this either—allow the union to understand the requirements and see if they have a way to enforce while keeping the cost down. In terms of the future, I didn't really like any of the options for distribution. I think several speakers said it. If we have these concentric rings, we're still going to get bunching on the boundaries. For those homes that are closest to Downtown, they're never going to see any relief. I think we really need a distribution mechanism that spreads parking more equitably. I agree it shouldn't be assigned spots or one side of the street. I'd really like to hear about options maybe using technology to issue permits to particular blocks and limit the number of those permits so that we wouldn't have 100 percent capacity like we still see in those residential streets closest to Downtown. I think we also need to have clear boundaries. We're talking about expanding the Downtown RPP District. At some point, we're going to be so far out into the neighborhood, I don't think we should call it the Downtown District anymore. There should be a different criteria based on where these parking regulations are. I think we're getting close to that limit already. If we expand to Old Palo Alto, I would expect it to be a different parking district with different criteria, probably zero or close to zero business permits in that neighborhood. Even now I think a more reasonable boundary might be Middlefield Road rather than crossing Middlefield Road. I think it's too soon to look at price discrimination. I think there's some real issues there. I can picture low-wage workers walking a mile. I think first-come-first-serve makes sense for now. We have price discrimination in that if you really want to purchase a particular location, you can buy a parking garage permit. Maybe we should use the garages as that way to discriminate for now until we get a little more feedback. I also think if we start to price discriminate now, we're kind of locking in a model. Keeping our options there for experimentation. One last point. I think as a policy matter Council should consider a minimum and maximum parking intrusion ratio Citywide. Again, we could address this issue once the full Council could participate, and we could design—I think some people said it—rather than an incremental program where we're always annexing, we could come up maybe with some framework that would work more broadly.

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Ms. Gitelman: Thank you, Council Member DuBois. If I could respond to the Airbnb comment. We did in this Phase 1 of the program limit the number of permits that could be obtained by individual residential addresses. Each address was entitled to four permits and then two transferrable visitor passes. That, I think, would address that issue. Of course, we're interested in your thoughts about potentially expanding the area. I appreciate the point that you made, which is at some point you expand it so much that it should be maybe separate or different districts. In terms of the issue of assigning permits to blocks rather than concentric zones or other zone configurations, it just adds to the complexity, I think, of the Program. Our thought was that you could adjust the number of permits that you issue within the zones, whatever shape they are, so that we wouldn't experience the phenomenon that you suggested would happen, where everybody is bunched in the middle or you get some disproportionate distribution of the permits. The idea of creating the zones would be to kind of manage that in some way.

Council Member DuBois: I think it just goes to you need a small enough zone that you can control the number of permits. Once the area is too big, then you'll get bunching.

Mr. Mello: I can answer a couple of your questions as well. I've heard a couple of comments that a half mile may not be far enough for the eligibility zones that we're seeking to create. We had to walk a little bit of a tightrope because there are neighborhoods that don't want to be included. They don't feel that they're currently experiencing any type of overflow. We would essentially be bringing them into a program that they may not want to participate in. We were a little conservative when we looked at creating those eligibility zones, but we can certainly look at expanding that area if you think that's appropriate. In regard to Menlo Park, I just happened to have coffee with my counterpart at the City of Menlo Park last Wednesday. I talked to her about whether they were experiencing any impacts from our RPP. She said at the beginning they had a minimal amount of overflow, but she hasn't received any complaints from residents. It doesn't appear that there's a great deal of spillover occurring. I'll let Sue-Ellen answer the questions about moving cars around in the zones and street cleaning (inaudible).

Ms. Atkinson: We have had some comments from residents regarding the street sweeping. In Downtown North, there are signs posted, and we did do double signage on every single sign post in Downtown North where that program is established. Elsewhere where there is intermittent street sweeping and signs are posted on the trees, I believe the individual residents have been working with Public Works, because the street sweeping

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program is managed through that department. They've come up with some solutions and are looking for longer-term solutions as well in terms of that. That is a comment that we have received. In terms of moving cars, right now there's 2-hour parking anywhere in the Downtown RPP Zone. There are no parking restrictions at this time. What would likely come into effect in a zone, concentric zone, micro zone, however it's arranged, would be no (inaudible) parking within that zone. That enforcement is fairly standard and is something that the enforcement contractor would be equipped to do easily.

Ms. Gitelman: There's maybe one more point that I should raise. I apologize that we haven't made this clear before. We're talking about designing Phase 2 of a Program consistent with the Council's direction last December. Even Phase 2 is part of a trial. We're going to try out whatever distribution system the Council prefers at this point. Some of these other aspects of a Phase 2 Program, if we need to make adjustments in the future, we will. The idea is very adaptive. We would evaluate how this—just as we have evaluated and are evaluating Phase 1, we would evaluate Phase 2 before coming back to Council to make anything permanent.

Mr. Mello: I just have two more responses to your questions. The concentric rings could feasibly be—the first ring could feasibly be one block. The second could be two blocks. That would help us deal with the bunching that seems to be a recurring theme that people are worried that employees are going to cluster at the block closest to the Downtown core. If we thought that was an issue, we would strategically design the concentric rings in a way that the number of permits doesn't allow that clustering to overwhelm each particular block. There would still be enough availability for the residents on those blocks. The second point is if we were to look at some type of ratcheting down of the permits, our goal would be to tie this closely with the programs that we would be implementing with the TMA. It wouldn't necessarily be a wholesale reduction in permits without us continually looking at the performance of the TMA and are we switching people to alternative modes and are we reducing that number of SOV trips to Downtown. Then we would see a corresponding reduction in the permits. I don't think they would happen independent of each other.

Vice Mayor Schmid: Council Member Burt.

Council Member Burt: I guess I'd like to start off by saying I think we all have to look at this as striking a series of balances, balances between the primary objective of preserve neighborhood quality of life by ensuring adequate parking for residents, quoting from the report. That really was what we're about here. We have to balance that to make sure that we're

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not creating an overwhelming crisis for Downtown workers and that we're not creating a spillover that is significant toward other neighborhoods, that we solve one group's problem and just pass that off on other neighbors. I think that latter part of not having a spillover to other neighborhoods really intersects some of what we're talking about here. We certainly don't want to drive elimination of worker permits in the neighborhood to a degree that it causes spillover. If we can track it to what we have on Figure 3 on page 8 of the Staff Report, which is what our goal is on reducing demand through reduction in basically car trips, reducing single occupancy vehicle trips primarily, then this will all knit well over the coming years. That's a big challenge, and we don't know that we're going to hit that. I think that, as some of my other colleagues have indicated, I don't think we have to set that as a defined objective at this time. I think that's a long-term aspiration, but it would need to track with reducing the car demand. We talked about concentric circles or what the Staff Report called micro zones. Josh, I just heard you talk about concentric circles that might go down to a single block. I think I'd call that a micro circle. I don't understand really the big difference between the two. When we look at the maps and here's our current pattern, when I look at the red, it's not in a concentric circle. What we really need to do in my mind is establish zones that correlate to where the demand for parking in the neighborhood lies. People are telling us where they're coming from and where they want to park the most. That's what indicates essentially what the boundaries of those particular zones ought to be. I would favor not thinking it has—it's not as the crow flies either. We've got walking patterns. We've got a circle from the other side of the tracks. A half mile there as the crow flies may be a mile as the person has to walk. I don't agree with the circle concept. I think we ought to just set up zones that correlate to where we're seeing the demand is. I do have a few questions about supply. We didn't touch on supply much at all. Wait, before I go there, I'll leave you with those questions. I do want to make a comment about this problem. We could set up enough small zones that maybe we wouldn't have this bunching on the edge of a zone, but that starts getting to be a lot of small zones. I don't see that we should rule out this one side of a block concept. I would like to see that referred back to the stakeholder groups and see whether they think that is a viable concept. In particular, it seems logical that that would work best just in the blocks that are essentially the inbound border of each zone, because that's where the parkers concentrate in each zone. That's where you'd want to make sure that people on those blocks—if they can't park in front of their house, they can park across the street from their street. I think that's what everybody should have a right to. We don't want to have in this area that some folks have got this problem 100 percent fixed. We've got green areas in Downtown North that were red before, and we still have other areas that are still red. Our objective is to let everybody have a reasonable amount of

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parking within a short distance to their home. I've got a series of questions also on the supply side. We didn't hear anything about really what's happening in our garages. Council Member DuBois raised the question that it doesn't make any sense to me why we have on Lot CC a wait list of 87 and an occupancy of 77. There was no explanation offered. Still a low occupancy on "CW." We haven't heard anything about the valet other than just kind of an allusion in the Staff Report. We haven't heard anything about our smart signs. Those all tie into this. I'd like to hear more about that.

Vice Mayor Schmid: Comments?

Ms. Gitelman: Yeah. Thank you, Council Member Burt. On all of the components of the three-legged stool that Sue-Ellen showed at the beginning, I don't know that we're prepared this evening to give you a full briefing on all of those elements, the parking wayfinding, access and revenue controls, the parking guidance system or really how we manage the garages. Maybe Sue-Ellen can answer a little bit about how we deal with wait lists and measure occupancies. I was down in the garage downstairs the other night after work, and the place was absolutely full after hours. We know there's a lot of variation during the day. We do try and manage these wait lists, but it's an art not a science. Do you want to add anything?

Ms. Atkinson: Sure. There are currently valet programs in effect at High Street and at Bryant/Lytton. Bryant/Lytton began valeting cars last week. That program is now officially in effect. In Civic Center garage, it's important to note that those occupancy counts are midday. I will tell you that when you're racing around in a 2-hour period doing occupancy counts at all of the garages, some may be closer to noon during the lunch hour and some may be closer to 2:00. You may be seeing occupancies that are different based on people going out for the lunch hour and then coming back. Anecdotally Civic Center is, as Hillary mentioned, very full most of the time. That may just be an aberration of the data. Just a quick update on the other programs. Wayfinding will be coming to you in, I believe, early spring 2016 with design. Parking guidance, there's a stakeholder committee meeting scheduled for January to look at design. That program will provide the real time data that will feed into the parking occupancy signs as part of the wayfinding program. If you recall, those two projects are intertwined. Do you have anything else to add?

Mr. Mello: No. I'd just say a lot of this data collection will be simplified once we get more automated parking access and revenue control systems in place. Right now, we have to rely on manual counts. It's not as accurate as we'd like it to be.



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Vice Mayor Schmid: Let me ask a couple of questions. If you can go to Slide 14. No, the previous one. It's on page 14 of your slides. Proposed RPP boundary. Just to be clear, the yellow dotted portions are those you're asking us to approve because you have petitions signed per the Ordinance that they want to have the Program. The blue portion, you're asking us to explore whether any streets in that area would be ready to propose a petition. Is that right?

Mr. Mello: Our current recommendation is to annex—when we come back to you with the Ordinance and the Resolution, it would annex the streets that are shown in yellow into the Program. Those residents would be required to purchase permits, and their streets would be part of the enforcement. The blue area is what we're calling eligibility areas, and you would be authorizing Staff to administratively annex those areas into the Program if the residents submit a petition.

Vice Mayor Schmid: If you'd go to the previous slide. What's striking about—the previous one. The one with the—that's right. If you compare that, there's some boundaries here within a quarter mile, which you do not have in blue, and yet you do have in blue an extensive area half a mile. What's your thoughts on why those rings aren't the eligible boundaries?

Mr. Mello: A lot of it was more of an art. We consulted with the stakeholder group. We looked at where we were receiving complaints about spillover. Sue-Ellen can detail the meetings that we went. We actually presented a bunch of different options to the stakeholders. It was pretty much an ongoing negotiation of where we thought we'd see spillover. It was not an exact line drawn in the ...

Vice Mayor Schmid: One of the things the Council might think about is do we want to just say anyone within a half mile might be eligible. On your page 18, which is the employee permit availability data—that one—you imply that there are about 3,500 off-street supply in the Downtown. Is that right? The garages and the City parking lots make up about 2,800. Is that about right?

Ms. Atkinson: That number is a combination of the off-street public parking and the City lots and garages and the estimated number of off-street private parking spaces. That's based on the TMA commuter survey and the percentage of drivers that reported parking in a private lot.

Vice Mayor Schmid: I noticed that when Downtown businesses come to us for expansion and they talk about parking, they always say, "We're building so much parking, but we have X number of places through the Assessment District." The Staff and the Council says, "Okay. You already have those."

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I've often wondered where those spots are. I tracked the numbers that they claim back to this engineering report in 2001, in which they are parking benefit units of those businesses that invested in garages. They built two garages, 700 parking spaces. The benefit units add up to 9,100. I'm wondering are we, every time a new building goes up, creating the need for more parking. Are we increasing our parking demand? Those units don't buy any spot in town. You don't have to answer me now, but I guess before we make a commitment to a given demand and supply, I'd like to know whether we have legal or Council obligations for 9,100 spaces. That seems to be something that comes to Council with every permit required. Briefly, let me just mention the other things that have already been mentioned. I think someone brought up the fact that good data is important, and we don't seem to have the details of who is using, how often they use, what's the split among uses, they dynamics of uses. Good data is something that hopefully will flow during Phase 2 to us. I think the issue has been brought up again and again about the distribution mechanism that attempts even at concentric rings don't quite ring true, because people want to be close to where they're going, and they'll be pressure on the near-in spaces all the time. We need a mechanism for distribution. Finally, the question came up is there any transfer of hang ties or household permits. Is there a black market for household buying some visitor permits and putting them on the market? How can we set up a system that would catch an underground market for permits? I guess with that we're ready to move to Council other questions or recommendations. Council Member Kniss.

Council Member Kniss: I am ready to try a motion. I'm going to go back; I'm now on page 991 which is the recommendation from Staff. I would suggest that we do "A", "B," a piece of "C," and "D." What I would move is we conceptually approve the annexation of the areas that are listed here, conceptually approve additional adjacent neighborhoods for eligibility of annexation into the RPP District, and then direct Staff to return with a Resolution to implement those changes and parameters. However, scheduled to begin in March. I'm not going to include limiting the permit sales nor modifying—I think we need to look further at "B," but I'd be interested if somebody has a better idea for going forward. Also, last "D," direct the Staff to return with an analysis of program costs and revenues, etc. That's my motion.

Vice Mayor Schmid: What you're leaving out is "A" and "B" under "c?"

Council Member Kniss: No. What I'm leaving out is "A," because I don't want us to be that ...

Council Member Burt: "Ca."

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Vice Mayor Schmid: "Ca," yeah.

Council Member Kniss: Yes, "Ca." I don't want us to be that determinative yet. Under "B," modifying the existing RPP District to distribute employee permits, using concentric rings I don't think is quite where we want to go. I think using some one of these suggested answers around the Downtown core would be better put as far as I'm concerned.

Vice Mayor Schmid: Is there a second?

Council Member Wolbach: Yeah, I'll second it. I might have a couple of amendments.

**MOTION:** Council Member Kniss moved, seconded by Council Member Wolbach to:

- A. Conceptually approve the annexation of additional areas south of Lincoln Avenue and north-east of Guinda Street into the existing Downtown Residential Preferential Parking (RPP) District; and
- B. Conceptually approve additional adjacent neighborhoods for eligibility of annexation into the Downtown RPP district in the future, based on resident petition; and
- C. Direct Staff to return with a Resolution to implement the proposed boundary changes and parameters for Phase 2 of the Downtown RPP Program, scheduled to begin in March 2016, including:
  - i. Modifying the existing RPP District to distribute employee permits using concentric ring zones around the Downtown core; and
- D. Direct Staff to return with an analysis of program costs and revenues, along with necessary budgeting adjustments to implement desired boundary expansion, including new zones within the existing District, on-site customer service and physical permit sales.

Vice Mayor Schmid: Do you want to speak to your motion?

Council Member Kniss: I'll speak to it, but briefly. I think that the annexation is almost a given at this point. We've seen it in front of us tonight. We've heard from any number of people tonight who indicate that their street has just become virtually impossible to navigate, and they really need the relief of the RPP. That includes the adjacent neighborhoods. Dropping down to the analysis of Program costs and revenues, I think, is really important. That's something that we haven't really talked about

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extensively yet. I think this is really important. This is a tough issue. One of our speakers tonight talked about—I've forgotten what the name of the book is. Adina, are you still here? What is the name of the book about free parking?

Ms. Levin: *The High Cost of Free Parking.*

Council Member Kniss: *The High Cost of Free Parking.* I think we need to validate that high cost of free parking. I would like to say to the Downtown area thank you again, because they had years and year of this happening. There is that high cost of free parking. They certainly took their share of it for any number of years. That's where I would leave it. Maybe, Cory, you've got ...

Vice Mayor Schmid: Council Member Kniss, if you read the motion, "C" does not have "b." Did you want to include it?

Council Member Kniss: What I said is leave out "a." That's "C." You should also, as I said, under "b," I'm not quite sure what the word is we want to use. I think something other than concentric ring zones. Maybe Staff can suggest something that would fit in there better.

Vice Mayor Schmid: Council Member Wolbach, speak to your second.

Council Member Wolbach: Actually I'd like to offer a friendly amendment, to replace concentric ring zones with micro zones to be crafted by Staff, reflecting demand. I'd be very open to whether other colleagues have further amendments.

Council Member Kniss: It's fine with me, Cory. I simply don't know quite how to indicate that in such a way that it leaves flexibility for Staff. If Staff has any ideas of how you'd like it more flexible, let us know.

Mr. Mello: Based on what I heard from Council Member Wolbach, I think you want us to look at the demand by block and then try to bring together the blocks that have similar demand under one zone in order to manage the demand by smaller zones.

Council Member Wolbach: Yes. You had proposed—was it Option 3 which you said was conceptual but not the exact lines you end up using? I think you've heard some good analysis and comments by Council Member Burt about how the demand breaks down and that people are essentially telling us where they want to park. That might help us and help you to consider other ways to draw the zones. We'll leave it to you to play around with that. That would be my proposal, if that's amenable to you.

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Council Member Kniss: I think that's fine. I have a feeling this may not be the end of how we go forth with this tonight.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to replace in the Motion, "concentric ring zones" with "micro zones as defined by Staff based upon demand."

Council Member Wolbach: Staff did say that you still consider Phase 2 to be part of a trial. This is still baby steps on the road towards improving the parking situation. Of course, we'll be talking in January about a number of other parking-related efforts and in spring about our smart signs and things like that. This is just a piece of the puzzle and a step along the way.

Vice Mayor Schmid: Council Member DuBois.

Council Member DuBois: I don't think this motion does anything to address the problems that we've detected in Phase 1, which are limits on number of permits sold. I think you started to get there on the distribution issue. I still have a concern about the ultimate boundary of how far do we continue annexation. We need a limit. We did Phase 1 with unlimited number of permits sold. We sold about 1,500 business permits, and then there have been about 500 daily permits purchased. That's how we got to 2,000. If we continue this and we just expand with no limits, I don't think we're solving the problem. We still have all these red blocks that are pretty much 100 percent full. I think we need to bring "Ca" back into this. I do think we need to move forward with Phase 2. We shouldn't get stuck in Phase 1. This is kind of extending Phase 1 in my mind. In terms of boundaries, again I think instead of "B" where we conceptually approve just the neighborhoods to be added to the Downtown thing, I'd actually like Staff to come back with a absolute limit to the Downtown Parking District and an ability for new neighborhoods to easily join a residential parking neighborhood that would have different conditions than the Downtown neighborhood. It's kind of the same sentiment, but not that they would just opt in to expand it Downtown.

Vice Mayor Schmid: Are you proposing a formal amendment?

Council Member DuBois: Not right now.

Vice Mayor Schmid: Council Member Burt.

Council Member Burt: Before I make a couple of recommended amendments, I did want to make one more comment, one or two, on supply. I think that one of the things that we will be able to look at perhaps within the qualitative competition of the office cap is for office projects Downtown, they potentially could help free up many of those private spaces

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that we've never had a way to unlock that key. We've all known for decades, we've talked about it. They're sitting there; many spaces are empty, and we have no leverage. That as one of the components to competition to getting a project approved, if they are a developer that wants to have a project and they're sitting on vacancies in their spots, that's one of the criteria we could use. That would have a huge impact. We've never been able to figure out a way to do it. First, I want to say that I agree with Council Member DuBois. Limiting the number of employee permits annually in Phase 2 is a very important component. I don't want to overshoot. Just as I argued against necessarily saying that the goal should be no worker parking in a neighborhood, I don't see how we really get anywhere unless we have that limit. That's what really controls whether we just go back to the way we were. I see that Staff has recommended the 2,000 number. Does that seem like a reasonable balance for the first year of Phase 2? Is that how you came up with that number?

Mr. Mello: We basically rounded up from the existing permit sales. We wanted to leave a little bit of room for additional employees to purchase permits, but we didn't want to allow too much additional expansion.

Council Member Burt: I agree with eliminating the other half to "A," but I want to offer as an amendment that we limit the employee permit sales in the first year to 2,000 annually.

Vice Mayor Schmid: Council Member Kniss?

Council Member Kniss: Yes, I could agree with that. I think your arguments are good. As far as the second part so that after 10 years there are none of it ...

Council Member Burt: We're in agreement there.

Council Member Kniss: I'm fine with that. I think we should again assess all of these things after a year.

Council Member Burt: Right.

Council Member Wolbach: I think that's a very reasonable amendment. I accept it as well.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "limit employee permit sales to 2,000 annually."

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Council Member Burt: There are a number of things that I don't think we have enough information on to decide tonight. I would want to include these to be directed back to Staff and the stakeholder group for consideration. One we might do. Let me take a pause before I put up these ones for further review. This kind of aligns to what Council Member DuBois was talking about, which is the difference between a Downtown RPP and a neighborhood program. To me the basic difference is whether you sell worker permits in it. We heard this from the outset from some neighborhood leaders in the neighborhoods that were outside of the impacted area when we put this in. I said, "We're going to have serious disruptions when we put this in, and we're going to have to figure out how to contend with them." I think it's reasonable for folks who live in the Downtown areas, who have generally, historically had some amount of overflow to get back a reasonable amount of parking on their streets, but there still may be some worker parking. I don't think it's reasonable to create a new problem for these adjacent neighborhoods. I would support not selling worker permits in the additional annexed areas. I'd like to make that as one motion.

Council Member Kniss: I think that's a possibility. I'd like to hear from Staff though about not selling worker permits in that area and what ...

Vice Mayor Schmid: Could I ask a clarifying question? Does that include the yellow dotted areas where petitions have already moved?

Council Member Burt: It would be all the areas outside of the original boundaries, meaning all the areas that didn't have a problem before we put this Program in place.

Mr. Mello: The RPP Code section actually allows other neighborhoods to create Programs. It creates a similar process to this where a stakeholder committee is convened, and it allows neighborhoods the option to not allow employee parking. Basically the sky's the limit as far as how we could craft a Program to meet the needs of the individual neighborhoods. That being said, it sounds almost as if you're recommending a new Program that would have separate rules and regulations. That is permitted under the current Ordinance. It would be an entirely separate Program, it sounds like, with different rules and regulations from the Downtown RPP.

Council Member Burt: The only difference I can think of is that you don't sell worker permits in those areas.

Council Member DuBois: Can I make a comment on that?

Vice Mayor Schmid: Council Member DuBois.

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Council Member DuBois: Again, what I was suggesting was modifying "B" here. Not that people would go through the year-long process to create a new RPP that's in the Ordinance, but that under "B" we would conceptually approve adjacent neighborhoods and maybe even apply it to "A" for annexation into a District that would be identical to the Downtown District but would have zero employee parking in it. Again, the idea was to do it quickly, not to go through that annual process.

Council Member Burt: You're saying the difference is a process one?

Council Member DuBois: The Ordinance says the neighborhood can come forward in March, and then the City will study it, and it will launch the following year. We've impacted these neighborhoods now, and I don't think we should make them wait a year, is what I'm saying.

Council Member Burt: I guess I'd like to hear—this issue of Council Member DuBois has a concern on a 1-year process for those neighborhoods that have been impacted, and for them to be able to get this Program in, if they want to opt in, but without worker permits being sold in those neighborhoods. Does Staff have any comments on the necessity of this 1-year process from the time that we are petitioned by blocks within the annexed area?

Ms. Gitelman: Apologize, Council Members. We're conferring here. It seems that a new Program could use some of the same permit process we have. We have now the vendors and the enforcement all work together. It really does seem to us like this would be a different District if it had this fundamentally different principle that there was no employee permit allowed there. I know this is a policy issue that came up in the very beginning when we were talking about the Downtown RPP. It is a policy choice. You could tell us that we want to allow expansion into this area, but the area would only have residential permits. It just does sound like a different animal.

Council Member Burt: I just don't see the complexity. We've got one that says it's got this—Council Member DuBois' question is separate. His was about whether it needs the 1-year process that we have set up. That was what I just asked. You're, I think, addressing something else. I don't see the big deal. We've got a process set up allowing neighborhoods to petition to become part of this. They're within this annexed area. If we simply say, "They go through that, but we don't sell worker permits there," so what? I don't get what the complexity is to saying we're not going to do something. That doesn't create a whole bunch of bureaucratic efforts in my mind, unless I'm missing something.

Council Member Kniss: There's one problem with that, though. My understanding is you're annexing these in order to lessen the impact on the



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north and the south parts that we have been discussing so far. Am I incorrect?

Council Member Burt: You're incorrect.

Council Member Kniss: If not, you have a whole different problem.

Council Member Burt: No, that's not (crosstalk). That's not why we're annexing them.

Ed Shikada, Assistant City Manager: If I might characterize it slightly differently. It might be to recognize that some of the problem has moved. Perhaps the threshold issue that Director Gitelman's pointing out, that going from some recognition of the demand for worker permit on streets to a zero supply, if the expanded area is not able to accommodate any worker permits, does feel like a substantial policy difference. Again, it's not an issue so much of complexity of the Program as the implications, perhaps to Council Member Kniss' point. I think one avenue we might want to explore a little further is whether that threshold that the Council's discussing now really needs to be zero or if there's a number greater than zero that might balance the ability to accommodate some worker demand on streets without creating a problem. Hypothetically, let's say it's 15 percent of available spaces. Is that something that a micro zone might be capable of accommodating in order to be a bit of a pressure relief without, again, saying there's no additional encroachment beyond what currently exists?

Council Member Burt: I'm game to put this into the other category of things I was going to propose, which is things for the Staff and the stakeholder group to return with. The stakeholder group would need to be expanded to include some people from those annexed areas if it isn't already.

**AMENDMENT:** Council Member Burt moved, seconded by Council Member XX to add to the Motion, "not selling worker permits in additional annexed areas."

## **AMENDMENT FAILED DUE TO THE LACK OF A SECOND**

Vice Mayor Schmid: Council Member Burt, there was a couple of other Council Members, I think, who wanted to talk to that issue before you move on to the next one.

Mr. Shikada: If I could respond just to the 1-year issue, since that was brought up. One year may or may not be the perfect timeframe, but there is some value in having a period of stabilization to exist both in terms of observing changes in parking demand as well as allowing the community to

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get used to that change. Having some finite period, whether it's a year or 6 months—again, identify what the appropriate timeframe is—can be helpful to not have us quite frankly constantly chasing our tail in what might be a reaction to an immediate change.

Vice Mayor Schmid: On this issue, Council Member DuBois, did you have a comment?

Council Member DuBois: Yeah, two comments. On that last point, I understood "B" to actually be a method to short circuit that. Again, we were giving approval now that if people came forward with a petition, they could immediately be added.

Ms. Gitelman: To the existing District, yes. The 1-year process that I think we're referring to is establishment of a new District, and that's laid out in the Citywide Ordinance.

Council Member DuBois: Again, there's this idea that we'll let people add onto the existing District very quickly, no waiting for impact. I can't find it, but I thought in reading all this material I also read the idea that these zones would potentially have a different number of permits issuable. I think what we're really talking about is a fourth zone that has zero permits. Again, it doesn't seem like a big deal. You could have a lot Downtown, a little bit less, a little bit less. Again, once you get so far out, we're calling it the Downtown District, but you're approaching Highway 101.

Vice Mayor Schmid: Council Member Wolbach, on this issue.

Council Member Wolbach: Just briefly because I wanted to let Council Member Burt get back to offering his friendly amendments. Between the flexibility of micro zones and the flexibility of "A" and "B" here, especially "B," I think we're still giving a lot of space to Staff to tweak these various zones, how many employee permits would be allowed in each zone. I think they're definitely hearing the message that we don't want to just move the employees further away. One of my concerns and I think one of the reasons it does need to get a little bit more work is if we expand the area of the RPP, but we don't expand the area that those 2,000 employees can go, then you might end up with still having a great concentration of employees within that limited area. If you can distribute them more, then more blocks and more neighborhoods might see an employee or two parked on the street, but it might be so modest that, and if it's spread out enough, nobody ends up really feeling a negative impact. I'll let Council Member Burt get back to his friendly amendments.

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Vice Mayor Schmid: Just a quick comment on that. We have limited to what? 2,100 employee permits in the current RPP District. Obviously there's been some spillover. We don't know whether it's 200 or 500 or 800. That's the critical question. If it's a large number, if you go to zero in those outlined areas, they'll all come back and recreate the problem we started with. Phase 2 has to answer that question, what is the spillover. Burt, did you want to ...

Council Member Burt: I think I have four things that I'd like to have Staff and the stakeholder group evaluate and return with recommendations on. The first is additional data gathering by Staff and leveraging partners, and then I'll explain what I mean by that. In my explanation, not part of the motion, is that we have the neighborhood folks who have been data gatherers and have volunteered to do additional data gathering. We have Friends of Caltrain. We haven't, to my knowledge, surveyed the Caltrain riders to find out what happened when we excluded them from permits. Where are they parking? What did they used to do? What are they doing now? We have Stanford. We pushed out in theory who would jump on the Marguerite and park in the neighborhood. Stanford has this incredible Transportation Management Agency with their own great TDM program. I'm not aware of us engaging with them and having them be part of at least the data part if not the solution part. The first one is data gathering by Staff and leveraging partners. The second is to recommend the number of worker permits in the annexed areas. My comment to that, not part of the motion, would be at most it should be significantly lower than what is in the concentrated areas. I am concerned that possibly if we eliminate any worker permits, we could have another overflow which is just outside the annexed areas. These are hopefully reasonable compromises we can come up with. The third is evaluate variable pricing or discriminatory pricing, which I prefer variable pricing as a term. I'll just comment to that to say that I think that this is really potentially something we should evaluate. I know Council Member DuBois had a concern about it, but it just seems logical that if you have to buy a permit, and it's a half mile or a mile away, that ought to be cheaper. We'll see. I'll defer to that recommendation. The final one is to review the pros and cons of one block side parking for workers in the most highly impacted areas. My comment to that is meaning that in each zone you get a concentration of the parkers right at the edge of that zone, and those are the blocks where you may want to look at one side. That's the only way you're going to let people on those streets have parking. Otherwise, within a zone you get some folks who—we can kind of see it here—got great benefit and others who got none.

Vice Mayor Schmid: Council Member Kniss, how does that sound to you?

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Council Member Kniss: Yes. Without speaking to it extensively, I think all of that actually enhances the motion. We'll get more information back. I think the part that is the most important is to look at the numbers in the annexed areas and evaluate that variable pricing at the same time. I don't think—without going further, yes, I accept those. I think those cap the motion.

Vice Mayor Schmid: Council Member Wolbach.

Council Member Wolbach: I think that there's been some discussion of these issues in the past. My only hesitation is I'm worried about creating too much work for Staff. Because there's already been discussion in the past, hopefully ...

Council Member Kniss: They're going to work throughout Christmas vacation.

Council Member Wolbach: Hopefully because we've already had some discussion about these issues previously, hopefully you can pick up on those. Just do a little bit more work and come back to us with the recommendations. With that, I support the amendment.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "direct Staff and the Stakeholder Group to evaluate and return with recommendations:

- i. Data gathering by Staff and leveraging partners; and
- ii. Recommend the number of employee permits in annexed areas; and
- iii. Evaluate variable pricing; and
- iv. Review the pros and cons of one block side parking for workers in the most highly impacted areas."

Vice Mayor Schmid: Staff?

Ms. Gitelman: Vice Mayor Schmid, if I can just clarify. We will certainly endeavor to get started on all of this right away. We anticipate coming back to Council with the Resolution and Ordinance probably in early February, if we're going to make our schedule here. I don't know that we will be able to reach closure on all of these things by then, but they will be in process.

Council Member Burt: Fortunately, our January meeting schedule looks light, and it often is light. If it's possible to schedule a discussion session in advance of the Ordinance one, because if we are trying to absorb new

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information and then immediately translate that into an Ordinance that night, that's a little rough. We won't have given Staff direction on incorporating any of these things in an Ordinance. If we could get whatever portion of this information we have in a January meeting, then we can give that additional direction for what we'd want to see in the Ordinance.

Council Member Kniss: Why don't you add that in, Pat, that we should have a Study Session in January (crosstalk).

Council Member Burt: Okay, okay. Yeah.

**AMENDMENT:** Council Member Burt moved, seconded by Council Member XX to add to the Motion, "schedule a Study Session in January."

Vice Mayor Schmid: Hillary, do you have a comment?

Ms. Gitelman: Excuse me, Vice Mayor Schmid. I just wanted to interject that we actually do have quite a number of items coming to Council in January including a joint meeting with the Comp Plan CAC that basically is going to take all our bandwidth for the meeting of January 19th. Then we have additional items sprinkled throughout the month. We're already quite engaged, shall we say, as a Staff in preparing for Council. If we're going to try and get the Resolution and the Ordinance on the Council's Agenda in early February, that means the Staff Report really has to be written in early January. There's not a lot of time to sneak another meeting into the schedule.

Vice Mayor Schmid: Could we put January/February?

Council Member Burt: Sure.

Council Member Kniss: That's fine.

Council Member Wolbach: Actually, I'm not going to accept that. I think Staff will bring it as soon as it's ready. I have faith in them.

**INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER** to replace in the Motion, "January" with "January/February."

Council Member Burt: I think from a process standpoint, I don't understand how we can tell Staff what to put in an Ordinance until we've gotten some feedback on these items.

Council Member Wolbach: I think what Staff was suggesting was that we can have an Ordinance, and then this further work can be an update to the

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Ordinance once this stuff is ready. The stuff that—"A" through "E" is the stuff that we're looking at trying to do hopefully in February ...

Vice Mayor Schmid: Hillary, were you saying that you could get something by February on this? It doesn't have to be final answers, but some data that could (inaudible).

Ms. Gitelman: That's right. We will do our best in the Staff Report we bring you or in the presentation we bring you in early February to provide some further thoughts on all of these things, hopefully to the point where you can make a decision, if not right at that meeting, then in an immediately subsequent meeting, because we're up against this timeframe.

Vice Mayor Schmid: The April deadline, yeah.

Council Member Burt: Can I ask? You're up against what deadline again? April 1st.

Ms. Gitelman: All the permits that are out there on the street, in my windshield and other windshields, expire on March 31st.

Council Member Burt: This is probably more for the City Attorney. How much—we've got prospectively some additional items that would go under the Ordinance. One or two or how many weeks do you need from when we would potentially review those items and give direction on their incorporation, or not, in the Ordinance for you to come back with the Ordinance? Say we got a meeting in early February and 2 weeks later we had the Action Item meeting on the Ordinance, would that work?

Molly Stump, City Attorney: Under the Council's current schedule, the packet is published 11 days. Two weeks later means just a few days, 48 hours really.

Council Member Burt: You really need probably three weeks.

Ms. Stump: At a minimum.

Council Member Burt: If we agendize this in late February, is that too late to—that's too late?

Ms. Stump: Staff's indicating both the Resolution and an Ordinance, because various aspects of this live in different places, Ordinances typically from the first reading to the final effective days is about 45 days, because you need two readings 10 days apart, and then there's a 30-day referendum period.

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Council Member Burt: That final reading, if we've given clarity on what's going to be in there, that's a different issue from—their issue is they want to make sure that April 1st, they've got something. Oh, I see. You're counting the calendar to April 1st.

Ms. Stump: I am.

Council Member Burt: It's all of March, and it's got to be mid-February then you're saying.

Ms. Stump: I am, yes.

Ms. Gitelman: Vice Mayor Schmid, if I could just interject one thing. We're talking here about the fact that whatever zone system and pricing system we land on will have to be entered into the permit sales system. I mean, there is some actual build-out time once we make a decision. We were hoping that this evening we would get those recommendations from the Council so that we could prepare the Ordinance and Resolution accordingly. We'll obviously try our best, but the earliest we could get your direction on these things would be the better, if we're going to try and hit that April 1st start date for Phase 2.

Vice Mayor Schmid: Council Member DuBois.

Council Member DuBois: First of all, we're about 2 hours behind schedule. We have a lot of stuff to cover. I'm still not supportive of this motion. I think it's getting close. I'll propose some friendly amendments, possibly unfriendly. I emailed them to you, David, but maybe one at a time. Again, I think we left this idea of is there a boundary to the Downtown District. I would propose a replacement of "B" with directing Staff to return with a proposal for the outer limit of the Downtown RPP and creation of a residential RPP for easy annexation by streets that opt in.

Council Member Burt: (inaudible)

Vice Mayor Schmid: No, because we're talking ...

Council Member DuBois: I'm sorry. Did you guys accept it or ...

Council Member Burt: No (inaudible).

Council Member DuBois: Okay.

Vice Mayor Schmid: You were not talking about the time.

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Council Member DuBois: I'm sorry. I thought we resolved the amendment. I'd like to propose some additional ones.

Council Member Wolbach: (inaudible).

Council Member Kniss: Talking about the Study Session?

Vice Mayor Schmid: Yes.

Council Member Kniss: I'm fine with that one, but you're not.

Vice Mayor Schmid: We want to resolve that.

Council Member Wolbach: (inaudible)

Council Member Kniss: I actually think it's a good idea.

Vice Mayor Schmid: Would you second it?

Council Member Kniss: I seconded it, yes.

Vice Mayor Schmid: Any further discussion on the scheduling of the Study Session in January/February?

Council Member DuBois: On the amendment which is "F" essentially, I don't understand what "recommend a number of employee numbers" means and how it relates to the 2,000 annual limit.

Council Member Kniss: Wait. Aren't we still on Study Session?

Vice Mayor Schmid: Those were (crosstalk) ...

Council Member Kniss: We just need to vote on Study Session.

Vice Mayor Schmid: ... Study Session. All in favor ...

Council Member Wolbach: I had a comment on the amendment that's on the floor.

Vice Mayor Schmid: Council Member Wolbach.

Council Member Wolbach: Hopefully we can find agreement, because we're going to need five votes to pass this. I'm not ...

Council Member Burt: (inaudible)



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Council Member Wolbach: I'm not clear on what this Study Session would be covering and whether Staff can meet that deadline and how information and decisions coming out of a Study Session, where we can't actually give direction, would inform the Ordinance itself that would be crafted 45 days plus preparation time following that. I'm just not clear on the (crosstalk).

Council Member Burt: (inaudible) First, I think you're right that we shouldn't call it a Study Session. It would be an Action Item that would direct the Ordinance. What it would inform would be whatever portion of "F1-4" Staff is able to provide us at that time. That would be what we would use to further modify the Ordinance.

Council Member Wolbach: Can I just ...

Council Member Kniss: Would Staff nod if you can do that as an Action Item?

Ms. Gitelman: Just to clarify, it's always been our intention to come back with an Action Item in early February to provide as much of this information as we possibly can at this time.

Council Member Kniss: Then this works. I think we should just move on with it.

Council Member Wolbach: In that case, I'll accept it. That's fine.

**AMENDMENT RESTATED AND INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "schedule an Action Item in January/February."

Vice Mayor Schmid: Can we have a vote on the amendment?

Council Member Wolbach: I just accepted it.

Vice Mayor Schmid: It is accepted. Let me note that we're getting close to 10:30 which is a time the Council stops and says, "Are we going to meet our Agenda?" We have two other items on the Agenda. Let's see if we can move through this. Council Member DuBois.

Council Member DuBois: If I could resume, I wanted to propose an amendment to "B" and to "F" and to propose a new "H," I guess. If you could scroll up to "B." What I was proposing for "B" is what Council Member Burt started to say, which was to kind of reword "B" to say that ...

Council Member Kniss: Which one are you on? (inaudible)

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Council Member DuBois: "B" here.

Vice Mayor Schmid: "B," yes.

Council Member DuBois: Instead of approving adjacent neighborhoods for the Downtown RPP, that Staff would come up with a recommendation for an outer limit to the Downtown RPP and create a residential RPP for easy annexation by streets that opt in. What I'm trying to capture here, again, is this idea that we conceptually approve adjacent neighborhoods, but that they would be kind of entering an area with different parameters. We had that discussion, but it wasn't clear where we ended up.

Council Member Kniss: Tom, if I understand what you're saying, I can't—I think what you're saying is you want to have anyone who is included in the annexation have different rules or regulations that go along with that. Am I correct?

Council Member DuBois: Yeah. I don't want to see Downtown continue to expand without an outer limit.

Council Member Kniss: That doesn't work for me, because I don't see where the—I'm not sure where trying to rebalance we're actually getting anywhere. I can't accept that one. I think that ...

Council Member DuBois: I just think we need to define an eventual limit.

Council Member Wolbach: I was just going to add that I also wasn't going to accept it. Since Liz doesn't, I guess it doesn't matter. I think the point of Section F is to address those questions and give us the data to inform those. I'm open to that; I just think we need a little bit more information first.

Council Member DuBois: My proposal for "F" was that we bring it back in a way that the entire Council can participate. That would mean, I think, on "F," or maybe a portion of "F," that we have a discussion about parking policy Citywide that would evaluate a minimum and maximum employee parking distribution ratio ...

Vice Mayor Schmid: Is there a second for the amendment?

Council Member DuBois: For the first one?

Council Member Kniss: As to what's up there? No, I'm not (inaudible).

Vice Mayor Schmid: Is there a second? I hear no second.

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**AMENDMENT:** Council Member DuBois moved, seconded by Council Member XX to replace Part B of the Motion with, "direct Staff to return with a proposal for an outer limit of the Downtown RPP Program and creation of residential RPP for easy annexation by streets that opt-in."

## **AMENDMENT FAILED DUE TO THE LACK OF A SECOND**

Vice Mayor Schmid: Did you have another?

Council Member DuBois: On "F," I think there are several of these things that really could be a Council-wide discussion, pricing policies, distribution mechanisms. I'm not personally in favor of the one side of the street. I would rather call out that we review the pros and cons of different distribution mechanisms. For these Districts, we discuss a minimum and maximum range of employee parking intrusion. Again, what we're talking about, we're kind of loosely talking about these zones and selling a different number of permits. I think that's a policy discussion we could have with everybody present.

Council Member Kniss: Could we look at Molly a minute for that? We're sitting here as five, because Molly had given some pretty strong recommendations on who could be here and who couldn't.

Ms. Stump: It's fairly complicated. The structure that the Council had set up previously with its overall Citywide Ordinance specifically identified that there were some areas that the Council would like to take on, on an area-by-area basis, and that would be done by Resolutions. That's what you're doing here. Intrusion, what types and amounts of intrusion by nonresident parking was one of those items. I think that was a recognition by the Council at that time, which you potentially could change. There are areas of town that have particular issues. There were a particular set of issues in the College Terrace. There was a different set of issues with the Crescent Park with the overnight. In fact, as we move along and see different types of parking challenges, they may be very particular and require a customized approach. It may work, what Council Member DuBois is suggesting. However, I will want to think further about this. If what you're suggesting is that the Council make a change there and actually establish some overall Citywide intrusion guidelines or limits or formulas, that might work but we still are going to have to ask the question under the conflicts laws of whether those will have a particular impact that's different in different parts of town. It may. That's an area where I will need to work with the Staff and possibly the FPPC to define that.

Council Member DuBois: I think a large part of this discussion in the last 45 minutes around "F" are really some general policy discussions about ranges

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and formulas. We'd have to have a separate Action Item specifically for Downtown.

Vice Mayor Schmid: Council Member Burt.

Council Member Burt: I think that broader policy question has merit, but I don't see how we can fold that in, think about bringing the whole Council into a discussion around that and trying to get done in what we already said was going to be a very tight deadline. What I would suggest is when we have our next meeting on this or the one following that when we act on the Ordinance, that it be agendized in a way that allows us to schedule a subsequent meeting on broader policy questions.

Council Member DuBois: That just seems backwards. I mean, we're going to be deciding all these things listed under "F" ...

Council Member Burt: I would say we don't have to solve everything to solve this. I think we next want to look at those broader questions, but I don't think we have to solve them in order to get this done.

Vice Mayor Schmid: I think it is appropriate to come back with "F" for Phase 2 in this Program, but also maybe the Staff can make a recommendation of splitting the Citywide issues from what is needed for Phase 2.

Council Member Kniss: If I could add this quickly to what Pat is saying. We are trying to solve one particular problem tonight, that is a problem that has existed in the Downtown area that we've defined any number of times as being heavily impacted and ways to relieve that. I think that's exactly what we've been discussing tonight, how do you relieve an area that has been so impacted that they feel that they cannot be comfortable living on their own streets. That's what we're attacking tonight. We have added a limit of the 2,000 permit sales annually that, I think, takes us to another level. I think we're getting to where we need to be for you all to deal with this and come back with something so that we can begin Phase 2 on April 1st. That's a short deadline.

Vice Mayor Schmid: Tom, did you have (crosstalk).

Council Member DuBois: Again, I don't support the idea of one side of the block parking. I think there's going to be ...

Council Member Burt: (inaudible)

Council Member Kniss: (inaudible)

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Council Member DuBois: Right. Again, my amendment would be to generalize that and to review the pros and cons of distribution mechanisms.

Vice Mayor Schmid: Council Member Kniss.

Council Member Kniss: That's fine. It doesn't really matter how we put it. We just want to look at where do you divide that.

Vice Mayor Schmid: You'd accept the "evaluate?" Cory.

Council Member Wolbach: Yeah, I'll accept that amendment.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to replace in the Motion Part F (iv), "review the pros and cons of one block side parking for workers in the most highly impacted areas" with "review the pros and cons of distribution mechanism."

Vice Mayor Schmid: "iv" becomes evaluate the pros and cons. (crosstalk)

Council Member DuBois: The last one would be "H" which is to direct Staff to propose a reduction mechanism to decrease employee permit sales based on progress with other traffic reduction programs and come back to Council to propose the annual reduction formula. Rather than say today that it's 200 a year, I do think we need to look at how do we reduce it over time. I'd like to give Staff the leeway to come back. If it's tied to success with our TMA program, that makes sense. What's that?

Vice Mayor Schmid: When (crosstalk).

Council Member Burt: Would this have to occur at the time of these next meetings? It doesn't seem like that has the same urgency.

Council Member DuBois: At least, I guess, before the next year, I guess, ideally.

Vice Mayor Schmid: Council Member Kniss?

Council Member Kniss: If you can see that as something we will work on, but that it doesn't necessarily have to be woven into this particular Ordinance, that's fine.

Ms. Gitelman: Maybe during implementation of Phase 2, develop this.

Council Member DuBois: Yep, good.

Council Member Kniss: That would be fine.

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Council Member Wolbach: I'll begrudgingly accept it. I think they've already proposed it, and it's in our Staff Report tonight. I don't (crosstalk). It's something that should come back to us for further discussion maybe midway through or towards the end of the next year. It's certainly not urgent at this moment.

Vice Mayor Schmid: That's the intention.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "direct Staff to propose a reduction mechanism to decrease employee permit sales based on progress with other traffic reduction programs, and come back to Council with a proposed annual reduction formula. (New Part H)

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion at the beginning of Part H, "During Phase 2 implementation."

Vice Mayor Schmid: If there are no further amendments ...

Council Member Kniss: You're hoping we might have a vote?

Vice Mayor Schmid: Yes. I think we are ready to move on. Let me just in general run down what we have about ...

Council Member Kniss: Did you suggest we vote? I must not have heard you, Greg.

Vice Mayor Schmid: Yes. I'm saying I see no more amendments on the table, so we're turning to the amended motion. It includes the Staff recommendation with the changes of the 2,000 but with not the decreasing reductions each year. We have changed "Cb" to read not concentric rings but to micro zones. We have added "F," a series of directions for the Staff to evaluate and come back with data and recommendations on number of employees, variable pricing and distribution mechanism. We scheduled that for some time in January or February. We also said that in the next year as we get into the implementation of Phase 2 to look at a proposed reduction mechanism. With that, all in favor. That passes unanimously 5-0. Thank you again very much for all your efforts.

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

Council Member Kniss: Greg, you started to talk about our 10:30 issue.

Vice Mayor Schmid: We should get everybody back.

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Council Member Wolbach: (inaudible) just lost our quorum.

Vice Mayor Schmid: Yes. We'll take a break while we get the other Council Members.

Council took a break from 10:34 P.M. to 10:39 P.M.

Council Member Berman, Council Member Filseth, Mayor Holman, and Council Member Scharff returned to the meeting at 10:39 P.M.

Mayor Holman: ... practice to review the Agendas after 10:00 and see what we will undertake. We do have two more Agenda Items this evening. My understanding is that Public Works would like responses on both of these items tonight. Is that correct? Assistant City Manager Shikada was relating that.

James Keene, City Manager: Mike, what do you guys—the question is Public Works wants or needs decisions on both of these items tonight.

Mike Sartor, Public Works Director: Mayor Holman and members of Council, the Highway 101 Bike Bridge does have deadlines for the grants, so we are looking to get a decision tonight so we can move forward on that. The Public Safety Building, we've talked to the community about tonight making a decision on California Avenue. It's up to you guys, I guess, on how you want us to proceed on these infrastructure priorities.

Mayor Holman: Council Member Scharff, your light is on. Is that intentional?

Council Member Scharff: It is intentional. I just wanted some elaboration on why the bike bridge is—why there's a deadline or what those time constraints are on the grants. Why can't we do—we have a pretty light Agenda. I was listening in, and I heard someone say we had a light Agenda in January. IF we have a light ...

Vice Mayor Schmid: We do not.

Council Member Scharff: ... Agenda, it would make much more sense.

Mayor Holman: Actually, one of the things I was doing was again going over the Agendas. I did discover that on January—I don't know how this fits in the Staff's time table in terms of getting these two items reviewed. On January 25th, we have that highly publicized event, weed abatement. That's Item Number 53. Then we have no additional Action Items scheduled for that night.

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Mr. Keene: The 25th?

Mayor Holman: Yeah, January 25th.

Mr. Keene: There was the potential for some involved follow-up from the Sustainability retreat.

Mayor Holman: I see. That's what that all is. That's what that all is. I'll retract that.

Council Member Scharff: I want to know what the deadlines are for the grant funding and why (crosstalk).

Brad Eggleston, Public Works Assistant Director: Your question, Council Member Scharff, we've recently had to request an extension on our Federal grant funding from having approval on January 1, 2017 to January 1, 2018. Given the delays we've had in this process and the long Caltrans process, we're still concerned about even making those deadlines. It's not a sure thing that we can always roll this money over.

Council Member Scharff: With all respect, given that, why does 30 days make a difference? You just said we're talking about 2018 or 2017. Why would 30 days make a difference on this? In all seriousness, why?

Mr. Eggleston: Potentially this 30 days is not the one that's critical, but it's the overall pattern of having trouble getting decisions and moving on with the project.

Mr. Keene: How much is the Federal money?

Mr. Eggleston: \$4 million.

Council Member Scharff: I'd move we don't take the Bike Bridge up tonight, but we take it up in January.

Council Member Wolbach" I'd second that.

**MOTION:** Council Member Scharff moved, seconded by Council Member Wolbach to continue Agenda Item Number 25 - Review and Accept the Public Safety Building Site ... to a meeting in January.

Mr. Keene: Madam Mayor?

Mayor Holman: Yes, City Manager.

Mr. Keene: How full is the January 11th meeting?



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Mayor Holman: The January 11 ...

Mr. Keene: I don't remember it being filled.

Mayor Holman: January 11 has the Parks Master Plan and a very long Consent Calendar. Action Items, we have some fairly significant items. We have weed abatement again. We have 1050 Page Mill Road and the Embarcadero contextual front setback variance appeal and medical marijuana which we probably could move.

Mr. Keene: I'd (inaudible) propose we combine weed abatement and medical marijuana together. I did the same thing this morning, Pat. Since we would be trying to decline any facilities, so that would be weed abatement.

Mayor Holman: That is a timely matter too. We have three fairly significant items already on Action that night.

Mr. Keene: Not to diminish the Parks Master Plan, but I would think if we've got a deadline with the bridge and \$4 million in grant funding, that could take precedence over the Parks Master Plan.

Mayor Holman: Let me ask this question too. I think I see members of the design team for the bridge here. We have Public Works Staff probably for both of these items. I see Chief Burns here also for the Public Safety Building. What are we ...

Male: (inaudible)

Mayor Holman: What are we doing to Staff and people who have stayed for the other item? Have they been giving any kind of fore-notice that we might not get to this item tonight, the Bridge meeting?

Mr. Keene: We didn't have any sense of that. You've got a motion out there right now.

Council Member Burt: Can I make a suggestion? Can we defer the decision and see how rapidly we go through the first item, with everybody understanding that if it drags on, we're not going to be able to do the last one? If it goes quickly, we might be able to get.

Mayor Holman: If that's a motion, I'd second it.

Council Member Burt: All right. I'll make that as a Substitute Motion.

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**SUBSTITUTE MOTION:** Council Member Burt moved, seconded by Mayor Holman to move forward with Agenda Item Number 25- Review and Accept the Public Safety Building Site... and reevaluate taking up Agenda Item Number 26 - Next Steps for the Highway 101 Pedestrian/Bicycle Overpass ... later in the evening.

Mayor Holman: Do you want to speak to your Motion? Is there any reason to speak to your Motion?

Council Member Burt: No.

Mayor Holman: Nor I. Council Member DuBois, you have your light on.

Council Member DuBois: I was going to suggest two things. We show by hands how many people are here for each project, and we potentially do the bike instead of the police project.

Mayor Holman: We have a consultant here. We know that we're—for the Public Safety Building. Council Member Scharff, you also have your light on.

Council Member Scharff: I do. I'm actually fine with Pat's suggestion of seeing how it goes and trying to get through it. I actually don't believe we'll get through it. I don't think the Public Safety Building will be that quickly. I actually just wanted to ask aren't the people from the architectural firm here? I'd hate for them to stay an hour and a half.

Mayor Holman: Yes, that's what I'd mentioned earlier.

Council Member Scharff: I guess I sort of want to get their sense if they'd rather do it that way or if they'd rather come back when they know we're going to do it. If they want to come back, I'd probably push to move it. If they're happy to sit here for it, I'm happy to see how it goes.

Mayor Holman: You want to come—please come back to the ...

Gary Antonucci, Moffatt & Nichol: Good evening, members of the Council. I'm Gary Antonucci with Moffatt Nichol, the project manager of the design team. We're fine with coming back in January to discuss that item with you.

Mr. Shikada: I would note, if I might, Mayor, for the Council's benefit that I think it's fair to acknowledge that the Moffatt Nichol team's proposal is to avoid an RFP process which is the Staff recommendation. It's a bit of a dilemma in that delaying effectively serves their interest as opposed to the Staff recommendation.

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Council Member Scharff: Even if it's by 3 weeks, does it really make that much difference? I mean, will it?

Mr. Shikada: Understood (crosstalk).

Council Member Scharff: Is there a monetary cost?

Mr. Shikada: More a process that won't be initiated in that period of time.

Mayor Holman: Thank you. Given that you're fine coming back as well, I still support Council Member Burt's motion to see how quickly we can get through this. If you're willing to hang out, we will see how quickly we can get through this. The substitute motion on the floor is to see how quickly we can get through the Public Safety Building and parking garage item and then potentially take up the parking garage. City Manager.

Mr. Keene: Not to put undue pressure on the Council, but would you have any idea of what quickly might look like? If you would say we get to quarter of 12:00 and you're still going, is that ... 45 minutes, okay.

Mayor Holman: I think reasonably we need to allow an hour. Pat? I think reasonably we need to allow an hour, because we've got a Staff presentation too. The range of an hour for Public Safety.

Council Member Burt: 45 minutes to an hour.

Mr. Keene: We have a recommendation already. We're ready for you to vote.

Mayor Holman: Let's vote on the board on the substitute motion. That's passes on an 8-1 vote, Council Member Kniss voting no.

**SUBSTITUTE MOTION PASSED: 8-1 Kniss no**

25. Review and Accept the Public Safety Building Site Evaluation Study of California Avenue Parking Lots C-6 and C-7 for Construction of a New Public Safety Building and Public Parking Structure; Direct Staff to Proceed With Design and Environmental Review of a 3-Story Public Safety Building Meeting Zoning Requirements on Lot C-6, and to Proceed With Design and Environmental Review of a New Public Parking Garage on Lot C-7 That Will Provide Approximately 460 (160 Net New) Public Parking Spaces.

Mayor Holman: With that, we will jump into Item Number 25, review and accept the Public Safety Building site evaluation study of California Avenue Parking Lot C-6 and C-7 for construction of a new Public Safety Building and

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public parking structure and to direct Staff to proceed with design and environmental review. I will leave the rest of that to the Staff presentation. Thank you. Welcome.

Mike Sartor, Public Works Director: Thank you, Mayor Holman, members of City Council. I'm Mike Sartor, Public Works Director. I'd just like to make an acknowledgement that we have in the audience tonight David Bower [phonetic], who was a member of the Infrastructure Blue Ribbon Commission and also on the Public Safety Building committee that led to this Council Priority. We also have Michael Ross here at the table to do a short presentation on the options and what has been presented to the public on this item. We also have a member of our Public Safety Staff in the audience to answer any questions you might have. With that, I'll turn it over to Brad Eggleston ...

James Keene, City Manager: Can I just say one more thing, Mike, on this real quickly?

Mr. Sartor: Sure.

Mr. Keene: Could we assume that the Council has read the item? We can blow through the presentation, and then we've got a toggle on the thing. If you've got to go back and look at some slides, we can do that. Let's whip through it.

Mr. Sartor: Thanks, Jim. I'll leave it to you, Brad, Assistant Director of Public Works.

Brad Eggleston, Public Works Assistant Director: Thank you, Mike. I'll start by dispensing with our overview. We had a little background for you on the May Study Session. The long and short of it is you directed us essentially to go and evaluate the California Avenue lots. A couple of things about parking we wanted to mention just to reinforce that this does involve the Cal. Ave. parking garage project as well. It would accelerate that project. Something else that I don't think was really in the report. During the Study Session in May, there was interest expressed by the Council in partnering with the County of Santa Clara for the Courthouse location and potential partnerships on parking there. I just wanted to let you know that Staff has reached out to the County and the Court. There was an interest shown to that. At this point, that doesn't preclude some future progress on that. It's not necessarily an important part of this decision. Wanted to let you know about that. With that, I will turn it over to Michael Ross.

Michael Ross, RossDrulisCusenbery, Architecture, Inc.: Good evening, Madam Mayor and members of the Council. It's a pleasure to be here.

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Happy holidays. Though my presentation will be brief, the study that we have just completed is very detailed. I'll give you a short overview of the presentation. The site evaluation process began with a program verification study where we re-verified the program, resulting in a 45,454 square foot Public Safety Building that we were testing these sites to accommodate as well as 194 dedicated parking spaces for the Public Safety Building. The two sites are Lot C-6 and C-7. They're located just north of the Courthouse site and south of California Avenue, bounded by Park and Sherman with Birch and Ash perpendicular to the two sites. C-6 is the site for the Public Safety Building; C-7 is the site for the proposed new public parking garage. The site analysis was very comprehensive. We started with site security setbacks as well as height, FAR coverage, zoning, Development Code, community compatibility and other aspects and views that were important to the neighborhood and the community as well as to the public safety providers. This is the zoning envelope. The orange box within the zoning envelope represents a three-story Public Safety Building. It substantially complies with all the Zoning and Development Codes for this lot. We studied two options. Option 1 is three stories with two basement levels. The lowest image is Level 1. This is the three-story scheme which is Option 1. It's 50 feet tall. It is very compact. You can see Levels 2 and 3 stacked above it. What's interesting and unique about this concept is that it also has an exterior parking area that's along Park. You can see that visitor parking is facing Sherman. In terms of future flexibility, the Option 1 scheme allows for the future onsite expansion; whereas, when we go into Option 2, which is a two-story scheme that covers virtually all of the site, there is very little expansion available on this site for a two-story scheme. These are the two basement levels of Option 1. What's also unique about Option 1 is that it has an operational basement where prisoner processing happens out of site and below grade as well as other patrol support functions. Option 2 is two stories. It occupies most of the site. It has a drive-through sally port. The prisoner processing actually happens at grade next to Park Boulevard. It is also 5,000 square feet larger than Option 1. Why is that? It's because of the need for increased corridor length and circulation space. Therefore, in comparison, Option 1 is much more compact and, therefore, less costly. Virtually 100 percent of the parking is accommodated underground in Option 2. Site coverage comparisons. You can see Option 1 actually has open site area in the screened landscape parking for visitors as well as the vehicle staging area near Park. Whereas, in Option 2 it's virtually completely covered. These are site line comparisons. Looking along Birch, Option 1 is the three-story scheme which you can see off to the left. Option 2 is the two-story scheme. Both of these, the front door for either of these options fronts a public plaza that is right on Birch. It really addresses the setback conditions required for the buildings, but also provides a landscaped forecourt to the public entry of the building. This is site line comparisons

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along California Avenue looking back. You can see that Option 1, being a three-story building, peaks up above the buildings a little more than Option 2. One of the defining aspects of a Public Safety Building quite often is a communications tower. These are indicated by the spire that is coming up on the edge of both buildings. What's important to note is that Option 1 is actually a half a block away off of California Avenue and separated by an alley. This is along Park Boulevard. Option 1 is the three-story scheme on the left. Option 2 is the two-story scheme. What's interesting about this, the Option 1 along Park expresses itself as a one-story element because it's the landscaped parking area and vehicle area. Whereas, in Option 2, it's a two-story building that comes right up close to the street edge. We also worked with Waltry Design. Matt Davis from Waltry is here should we have questions about the parking study. We developed three parking structure options. The programmatic requirements for all three of the options was to replace 100 percent of the existing parking that needed to be replaced as well as adding 160 additional spaces for a 460 stall count for any of the options. We did a site analysis similar to the Public Safety Building and developed three options. I'll briefly describe each one of those. Option A is 35 feet high with four parking levels and no basement. It has the largest footprint. Option B is 35 feet high with four levels above grade with two basement levels below. Option C is 35 feet high with three levels above grade with two basement levels below. What's unique about Option C, it also is set back from Birch and provides area for a 4,700 square foot, plus or minus, commercial building that would front Birch Street. This would be more like a mixed use approach to this lot for the public parking structure. One of the features about the parking structure is that site coverage variances may be required to maximize the parking garage efficiency and minimize construction costs. All of these indicate the detailed design studies that Waltry Design completed. These are site line comparisons for the parking garage. Option A is more visible from Cal. Ave. along Birch than the other two options because it covers more of the site and it's much more visible from Cal. Ave. Option C optimizes community design continuity by making room for a commercial function along Birch Street. This table summarizes our study. It finds that the sites are suitable for development for a new Public Safety Building and a new public parking structure. This summary table depicts the relative zoning complexity and the construction cost of each. Option 1 is the least costly Public Safety Building option. Option A is the least costly parking garage option. Option 1 is the preferred concept by the Palo Alto Police Department, Fire Administration and Office of Emergency Services. In my professional opinion, both of these sites are suitable for the development of a Public Safety Building and a new parking garage and, in many aspects, are superior to many of the sites that we've studied over the past years. I'd be happy to answer any questions should

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you have them. Thank you very much for allowing me this time to make this presentation.

Mayor Holman: Thank you. We have one member of the public who cares to speak to this item, Bob Moss. You'll have 3 minutes.

Robert Moss: Thank you, Mayor Holman and Council Members. The need for a Public Safety Building isn't new. It's been a issue for more than a quarter of a century. The existing facility was identified as inadequate, too small and having a number of problems. It's no question we have to fix it. Over the years a number of locations have been identified and looked at as potential sites. Some of them were Downtown. Some were on El Camino. Some down near the Bay. All things taken together, I believe this location is probably about as good as we're going to be able to find. It has the advantage of having empty parking lots. You don't have to buy a site with just a building and demolish it and replace it. That's an advantage. I think the overall designs that were proposed look quite reasonable. I think the one that's suggested as being the preferred one is acceptable. Fifty-foot buildings are not real popular in town. In the case of this location, California Avenue has been identified as the location where we want to have more development and more intense use, so we're going to have in the future a number of 50-foot tall buildings in that area. It won't look out of sight. We do have two major issues with this proposal. The first one is schedule. We're not talking about even beginning until 2018. I'd like to see that schedule shortened if possible. The second is money. The total project between the Public Safety Building and the garage costs at least \$65-75 million. I don't see anything that says where that money is going to come from. I would like to have real clarification. Are we going to have a public vote and have taxes raised on the community? Are we going to be getting money from grants from all kinds of other agencies? Is Google going to pay for it? Where is all the money going to come from? I think we have to have that defined. I have to ask that we can get if possible an accelerated proposal and get the building built and occupied, because we do in fact need it. Thank you.

Mayor Holman: Thank you very much. We'll return to Council. Council Members, let's see if we can be efficient. Why don't we do questions and comments, no motions at the moment, questions and comments in 3-minute rounds. We'll see where we get. I have lights from Council Member DuBois, and then Council Member Kniss.

Council Member DuBois: Some quick comments and questions that you can answer after the comments in no particular order. Again, I was at the Cal. Ave. meeting and heard a lot of comments from the merchants there. I

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think those service lanes are very important to the businesses there and keeping that accessible behind the police station is important. A question you can answer later is why the underground, connecting tunnel. I agree with the speaker that we really need to look at the timing and how we could accelerate this. Again, I asked the question earlier about the design/build process. I'm wondering if that's something we could look at to keep the cost down, avoid some variability for either of the projects, the garage or the Public Safety Building. Personally, having looked at the plans submitted at the meeting, I prefer the lower profile options, the two-story police building and two-story parking garage. I like the parking garage with the retail. I'd like to see kind of thinner retail along the entire block hopefully so we can maximize the parking. Rather than a full-depth store, maybe we're looking at some kind of ...

Council Member Kniss: What kind of retail?

Council Member DuBois: Shallower. Could be some kiosks or shallower kind of retail. I am concerned about the budget. The range starts at our budget and goes up. It seems like we're already over budget. I would suggest we need to try to live within the budget and see how we can scale back the plans from the beginning. It's 1.2 acres for the Public Safety Building; I think we could have a really nice facility. If there are places to save money, we should start looking at those now because the price is getting up there. On the garage, I don't know if you did this. It might be nice to show income from the retail rental that could offset the cost. There were a couple of questions in there.

Mr. Sartor: Let me try to answer as best as I can recall; you may need to remind me of a couple as we go along. The first was the tunnel between the two buildings. That is actually an optional feature that we could look at during the design phase. The two-story building does ...

Council Member DuBois: What's it for? The tunnel. It's just an emergency exit or ...

Mr. Sartor: I'm sorry?

Council Member DuBois: What's the purpose of the tunnel?

Mr. Sartor: Mike, what was the ...

Mr. Ross: Because the Public Safety Building basement parking garage houses first responder vehicles, it's important to have two means of egress from the building in the event that one of the ramps gets blocked. What we're proposing with the tunnel, which may or may not be necessary, is to



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tunnel under Birch Street and connect to the basement level of the parking garage, and then use that as a potential exit. As a potential plus side to that, should there ever need to be future expansion of the Public Safety Building storage functions, i.e., property and evidence or something like that, maybe we could shift that into the basement of the public parking garage in the far future, should that be necessary. However, if we choose a public parking garage that doesn't have a basement, we wouldn't need that tunnel and, therefore, we would develop a second ramp out of the Public Safety Building garage on its own site. It's a design option.

Mr. Sartor: Let me speak to your comment about the two-story versus the three-story options. The two-story option would require a lot coverage variance. Also, the two-story option is a little more expensive than the three-story option. Just so you're aware of that.

Mayor Holman: Council Member Kniss.

Council Member Kniss: I'm looking at the same type of thing. It's tempting to go three stories knowing what's happening in that particular area, but I'll be interested in hearing what others say. What would be the opportunity—what would be the cost essentially for going down three levels for parking? Given that the ground is essentially free, what range do you get into there? I'm looking at packet page 1050.

Mr. Ross: This is an excellent question. I'm going to invite Matt Davis from Waltry Design to speak to the degree of difficulty and cost of going another level further down.

Matt Davis, Waltry Design Parking Consultants: Each level underground increases cost by a factor of about 1.5 above the level above it. You have the increased cost of the added walls and the added excavation and going deeper in the ground and taller shoring walls. That would substantially increase the cost. It'd be about 1.5 times as expensive as the second below-grade level if you went to three.

Council Member Kniss: If you're looking at it that way, the first grade level is 100 percent, the second is 150 and the third is 200?

Mr. Davis: Yeah. That's the general rule of thumb for going below grade.

Council Member Kniss: When we look back at this building—I realize none of you were here when the building was put up probably—having the three levels here really is critical. As somebody said, where is the money going to come from? Already merchants are saying 460 spaces doesn't do it for

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them. I hear what you're saying, but it's one of the areas that I think we should consider at least.

Mr. Ross: We can carry that sort of approach into the design phase and treat it on an add alternate basis just to see what the exact cost is. There is some tricky geology there. There are plumes and groundwater, so we'd want to factor that in before we just make a blanket statement that it's 1.5 times more ...

Council Member Kniss: You're absolutely right about the plumes and so forth. As far as going up to the 50, I think Mike just said this as well. Staying within the three story does two things. It's less costly, correct?

Mr. Sartor: About \$5 million, I believe, roughly.

Council Member Kniss: Every few million makes a difference. The question there then also is—you said for a two-story which is probably what many of us would prefer just because of the lower profile. With the two story, you're saying we also will need a variance as far as land use? Tell us about it.

Mr. Sartor: Yes. Can you show the slide that shows the comparisons of the two? As I recall, the two-story option does require a lot coverage variance, where the three-story option fits within the zoning envelope. The additional feature that the three-story building provides is a public plaza between the two lots, which would be an amenity for the public. Just some comments on that.

Council Member Kniss: A last question. How high is the County building?

Mr. Keene: Sixty-something feet.

Mr. Sartor: Is it 60 feet?

Council Member Kniss: I can't remember if it's four stories or five. It's ...

Mr. Sartor: We actually have a site view slide.

Mr. Keene: Why don't you show that? I think that really changes the look of the three stories.

Mr. Sartor: On the left side is the three-story option. On the right side is the two-story option with the Courthouse in front of both.

Mr. Keene: Option 1 is the three-story.

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Mr. Ross: I would like to add one more. There's operational benefits to the three-story option in how the program areas are stacked. We don't really want to go into detail on that for security concerns about where every space is located. We received a lot of great intellect and input on this from the Police Department, Chief Burns and Lieutenant Lum and Ken from OES. There's a lot of synergies between how the program is stacked in the three-story version as compared to the two-story.

Council Member Kniss: That's helpful to know. Thanks very much.

Mayor Holman: Thank you. Council Member Berman.

Council Member Berman: Just so I understood correctly. Let me ask an initial question. For the parking lot, all you guys are looking for is us saying, "Yes, we think this is a good site for a parking lot." Correct? Do you need us to determine whether or not it's two stories or three stories or below ground or above ground? What do you need from us? It seems like from your recommendation you just need high-level approval from us.

Mr. Eggleston: What we're asking for tonight is just to proceed with design and environmental review on the site. In fact, the recommendation also includes looking at potential impacts and costs for providing more than the 460 spaces that was evaluated during this site evaluation (crosstalk).

Council Member Berman: You do not need from us specifically how many stories or anything like that. You just need—perfect. When it gets to that, I will happily give you guys that approval. I hope we keep our comments—since we're trying to get through this quick, let's focus on what's really at issue. It seems like it's the Public Safety Building. I'm a huge proponent of the three-story Public Safety Building for numerous reasons. I want to make sure there wasn't confusion. It seemed like Staff might have said a minute ago by accident that the two-story option was \$5 million cheaper. That's not correct. It's \$5 million more expensive. Two stories more expensive. Three-story, our public safety officials have said, is more beneficial without getting into the details for safety reasons for our purposes. I trust you guys. When this Public Safety Building was built, how many? Forty-five years ago, 50 years ago? Let me ask a question first. The three-story one has room for growth. Correct? Above and beyond our current needs.

Mr. Ross: Onsite expansion, yes.

Council Member Berman: Does the two-story one have that option?

Mr. Ross: It would be very difficult because we'd be building on top of the existing building.

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Council Member Berman: It would be going to three stories anyhow?

Mr. Ross: Correct.

Council Member Berman: Defeating the purpose of staying at two stories. My recollection from my days on IBRC was that this building, the day it was built and completed, was already obsolete. Our needs had already expanded what we planned for. We're talking about building a Public Safety Building for the next 50 years. I think it's important that we build a Public Safety Building that has the opportunity to grow into additional needs that we can't anticipate today. I had a couple of other thoughts, but I'm blanking under the time pressure. I really think it's important that we keep in mind the long-term perspective. We talked last week about the fact that, yes, it is more expensive than we anticipated, but certain tax revenue is higher than we anticipated also. We have the ability to utilize that money to help cover some of these additional costs. For folks that don't know, IBRC, Staff, the Infrastructure Committee and our Public Safety Staff spent a lot of time really cutting all the fat possible from the size of this building to get down to what we have today which is much smaller than what we started with. Let's really look at building the best possible building on what's not a perfect site, but what is a good site. It's important to get this done and make sure that this is a building that we can really be proud of and utilize for the next 50 years.

Mayor Holman: Council Member Scharff.

Council Member Scharff: Thanks. I think I agree with virtually everything Council Member Berman said. I won't necessarily repeat it. I do think some of it needs repeating a little bit. First of all, I think construction costs have gone up 30 percent or more. If we're going to look at every infrastructure project that comes before us, we have to assume it's going to be more expensive than when we first budgeted it. That doesn't mean anyone is wasting money or anyone's building the Taj Mahal here. I think it means the construction costs have gone up. I do think we need to think about that. When I read this I actually didn't think the three story or the two story would be that controversial. I guess I have to ask, the new project that's going up across the street on Ash Street, across the street over next to the little park, the huge hole on Sherman ...

Mr. Eggleston: 385 Sherman.

Council Member Scharff: ... how tall is that? That's a huge project. It's like forty-some thousand square feet.

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Mr. Sartor: I don't know right offhand. I have driven by it a few times. It is pretty tall. I don't know whether it's at the height limit or not. The three story option ...

Mr. Keene: It's not above the height limit.

Mr. Sartor: ... is within the height limit.

Council Member Scharff: Do we know what the height limit is there? We probably don't; we lost Planning.

Mr. Sartor: At the lot we're at, it's 50 feet. Actually, if you have it, show that one drawing that shows the envelope.

Council Member Scharff: Anyway, if you don't know, you don't know. It seems to me actually that given the size of the Courthouse, this fits in. We've made a big deal recently about being within the zoning and not giving variances. This is an interesting thing, because you can only build the two story if you give variances and change it. If you actually believe we should follow our Zoning Code and you actually make those statements, then the three-story is the one you would choose. Then you add all that into it, as far as I can tell, our public safety people are saying they want the three-story building, that it's a much better choice. As Council Member Berman said, we're building for the next 50 years. I can't see any reason why we wouldn't do, frankly, the three-story building. I think it makes sense. The harder call is some of the parking stuff. On the parking, is it really 27 1/2 feet, Option C? Someone said 35 for Option C, but all the stuff in the Staff Report says 35 feet. I was confused by that.

Mr. Ross: The retail maybe, but the parking structure is 35 feet.

Council Member Scharff: The parking structure is 35 feet for all three of them.

Mr. Ross: Correct.

Council Member Scharff: With the one with the retail option, what is the negative to that then? They're all 35 feet. One has retail, one doesn't. They have all about the same amount of parking spaces. Is it just a little more expensive. It's cheaper than Option B.

Mr. Shikada: I believe the scenario that shows the retail has one less subterranean level in the parking. The number was the design, the parking space.

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Mr. Ross: Two below, three above. It has one less upper level. That's what it is for Option C.

Council Member Scharff: How do you get 460 spaces as opposed to 463, which I think was the maximum on one of them?

Mr. Eggleston: It has to do with the lot coverage. I believe it has to do with the lot coverage, Council Member Scharff. In Option B, we're essentially trying to maintain larger setbacks from the sidewalks and the garage. Options A and C essentially maximize the lot coverage other than the retail space.

Council Member Scharff: We have the retail space, but it's a slightly bigger building. I'm leaning towards Option C. I think having retail there is a great addition and really dresses up the parking garage. As someone said, it's much better in terms of community design standards and that kind of stuff. I guess that's where I'd be.

Mayor Holman: Council Member Wolbach.

Council Member Wolbach: Sorry to go back to what Council Member Berman was saying before, but we don't need to pick between Garages A, B or C today, right? A three-story Public Safety Building, go forth on the parking garage stuff. Sounds great. Actually just one thing. It's not probably integral to the design of the garage, but something to worry about later, the width of the parking stalls. I just noted as I was parking on Cal. Ave. yesterday in the new, redesigned Cal. Ave. streetscape that the stalls on the street, the diagonal stalls, are actually really, really narrow. It's very hard not to bump into the car next to you. I was lucky I didn't do that.

Mr. Keene: You have to get a smaller car. That's part of the move.

Council Member Wolbach: That's why I usually ride my motorcycle. That day I wasn't on my motorcycle; I was in a car. I remembered why I enjoy parking a motorcycle better. For those who don't risk life and limb just to worry about parking and traffic, that's something to let us have some decisions on later.

Mayor Holman: Vice Mayor Schmid.

Vice Mayor Schmid: I share the enthusiasm of my colleagues. We've spent a lot of time over the years looking at Public Safety Building options. It's nice to be able to do what we want on a site that seems to have general consensus. I have three short questions. Let me put the questions out there, and you can respond in any way you feel good. The parking structure

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that has retail space, does that create a flow of income and how important would the flow of income be in paying some of the cost? The underground plumes, on packet pages 1117 and 1118, both seem to run through the middle of that. My understanding of those plumes, if you go down two floors, you run into possible problems. Is that an issue? Third thing is Park Avenue, we've talked about a couple of projects that have come in and worried about the traffic on it. This would presumably be replacing a parking lot with a building that creates traffic. Any comments on those three questions?

Mr. Sartor: I can address the potential of hitting the contamination in the groundwater. That was the same case, as you may recall, when we were looking at the previous site on Park Avenue. We're in the same general area. There are means of protecting the building tenants from any underground contamination with various—putting in vapor barriers and potential vapor extraction. That kind of thing can be done and it has been done in other buildings in that area. As far as the revenue generation from the retail space, that would be a question for you on how you would want to direct that revenue in the future. The third part was ...

Male: (inaudible) traffic.

Mr. Sartor: That would be addressed as we—we still need to do an Environmental Impact Report for both the Public Safety Building and the parking structure. We would look at potential traffic impacts and mitigations in that process.

Mayor Holman: Council Member Burt.

Council Member Burt: First question is why does a three-story building have to be 50 feet? We normally don't run that.

Mr. Ross: Great question. The 50 feet includes the parapet height. For Public Safety Buildings, having adequate floor-to-floor height allows you to have flexibility in the future for cable runs and things like that.

Council Member Burt: If it includes—this is the screening, the parapet?

Mr. Ross: Correct.

Council Member Burt: We don't normally count that when we talk about our heights. It's fine and it's good and transparent to do that, but you should be describing the height of the building as what is the top of the actual structure and then minimize the impact of the parapet both in its height and

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the degree to which it is essentially apparent massing. That's kind of what we try and do with designs.

Mr. Ross: Great point. The orange box that you saw in the zoning envelope represents a 50-foot high rectangular cube. That's the worst case scenario as if we built right up to the 50 feet. During the design phase, we will actually look at the floor-to-floor heights that optimize the structure and things like that. Maybe we can compress it somewhat.

Council Member Burt: What floor-to-floor height—I mean, from ground level to the roof height, not the parapet, what's that height?

Mr. Ross: We've been using 14 to 15 feet floor-to-floor heights, because you have structure underneath them.

Council Member Burt: You've got 42 to 45 feet. The way we traditionally talk about this, we're talking 42 to 45. Good, that's much better. That helps. A comment, and I'd be interested in whether others feel the same way. I don't want to see kind of an unutilized plaza that is the benefit. I'd like to see an active, little mini park. I don't know how many of you know, on Laurel Street in San Carlos, it could really be a great asset to the Cal. Ave. area. Just before we get too far on that design. Finally on the funding, I missed last week's infrastructure Study Session, but I read it thoroughly. It appears that we have certainly now and projected forward, even not counting any future additional hotels, significantly more TOT revenue. That should cover this difference and more between what had been our budget and what is likely to be the numbers. Whether it covers all the other infrastructure projects, we'll see. Am I off-base there?

Mr. Keene: I think that's generally true. I still don't think that we would shy away from value engineering where we can within the design parameters.

Mayor Holman: Council Member Filseth.

Council Member Filseth: Sorry, just briefly. There was a question earlier about how high is 385 Sherman. I looked it up, and it appears to be 42 feet 8 inches. I had a question for Staff actually. If you could squint all the way up here. Over on this side is California Avenue. Do you know offhand what the height limit for buildings on California Avenue is? Does anybody know?

Council Member Kniss: It's the same.

Council Member Filseth: Is it 50 feet on California Avenue?

Council Member Scharff: I think it's 35.



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Mayor Holman: I'm sorry. What was the question?

Mr. Keene: What is the height limit?

Council Member Filseth: On California Avenue.

Mayor Holman: On California Avenue ...

Mr. Keene: the zoned height limit.

Mayor Holman: ... it's CC(2) zoning and I believe it's 50 feet on California Avenue. I think.

Mr. Eggleston: If it's the same as the areas that we're investigating here, it would be 50 feet with the height limited to 35 feet if it's within, I believe, 150 feet of any residential use.

Council Member Filseth: Got it. I'm just ...

Mayor Holman: Molly, do you mind looking that up? Do you mind? It's the CC(2) zoning on Cal. Ave. Do you have another question while she's looking that up, Eric?

Council Member Filseth: I'm just wondering are we going to see California Avenue, some canyonization of California Avenue. If we have 50-foot buildings going up in the area, are we eventually going to see the same thing along California Avenue? That's the larger question. That's why I asked.

Mayor Holman: If you don't have any other questions, we'll ask City Attorney to report back on that in a minute. I have a couple or three questions, comments about both the Public Safety Building and the parking garage. It says on page 1 that you're looking for approval to go ahead with the design work and the environmental work. Other places I saw, it looked like it was just proceeding with the design work on one and not the other. I'm presuming you're going to do the design work on both at the same time.

Mr. Sartor: Yes, we would.

Mayor Holman: I'm also interested in how you're going to go about selecting designers. Sometimes I know with some projects—City Manager and I have had conversations about this and other people have to, about how we get really good design here on our projects, how we really go about doing that. What kind of outreach are you looking to do on trying to attract maybe some new and creative architects to these projects?

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Mr. Sartor: We would consider doing a Request for Proposals and doing a serious review of the folks that have proposed. As we talked last week in the infrastructure program discussion, we are looking at bringing on Staff support with experts in the field of construction management and design that would help us through that review process. We will have an open competition for that.

Mr. Keene: We can build in design criteria as part of the ... Obviously there's an art to doing that in a way that would elicit the best possible responses.

Mayor Holman: I would hope so. I just don't want to see a typical RFP process where we go to the cast of usual characters or just post it on the City's website, and whoever comes comes. That isn't going to work for these projects, I don't think. I think the public is looking for something much higher quality than what we get in some of those things. Also, it talks about zoning compliance. I also want there to be—as City Manager just referenced, we have all manner of ARB findings that have to be made and such. I really want those to be focused on as well, so we don't get to the end and go, "Oh, my gosh." It's not just zoning compliance; it's the criteria that have to be satisfied to get architectural approval. As far as the parking garage, I would absolutely support retail, but not the 4,700 square feet as one space. I would much rather see perimeter retail that's small spaces, like 500 to 1,500 square feet. They're much shallower and are on two sides. I might even be interested in looking at some kind of nonprofit, small spaces too even on the alley side or on the furthest side away from Park Boulevard. We've got nonprofits that keep talking about how hard it is to find space here. Smaller, not as small as kiosks, but 500 to 1,500 square feet on the perimeter. With that, the next light I have on is Council Member Scharff again. We'll do 3 minutes. Why don't we do questions, comments, motions. As one wishes.

Council Member Scharff: I guess I just had a quick question first. When I look at the retail, it's just one little building in the area or is it spread out? How does the retail work on this and what were the constraints of the site? How did you come to that retail, the way it looks?

Mr. Ross: What we wanted to do urbanistically was to wrap the commercial activity around the corner from Cal. Ave. onto Birch. At the same time, we didn't want to lose too many parking spaces in so doing. What you're seeing there is a 4,700 square foot space available for subdivision. We never considered that it'd just be a 4,700 square foot space. Your idea about sort of incubator commercial spaces or things like that, this would be an ideal spot for that. What we didn't do in this study was look at additional

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development options on the parking garage site. We just wanted to see what we could yield out of it, preserve the 460 spaces, knowing that the more commercial space we add to the site, we start carving into the parking garage or making it go higher or deeper. This would be clearly one of the exercises that you would want to explore during the next phase.

Council Member Scharff: When you talk about evaluation of costs and other impacts to potentially provide additional parking spaces, what does that look like in terms of evaluating it and figuring out how to get more parking spaces? Are we looking at an extra level up and an extra level Downtown basically?

Mr. Ross: Either/or or both, yes.

Council Member Scharff: With that, I'm willing to make the motion so we can move along. I would direct Staff to proceed, which is Number 2, with design and environmental review of a three-story Public Safety Building meeting zoning requirements on Lot C-6 and to proceed with design and environmental review of a new public parking garage on Lot C-7 which would be Option C and include evaluation of costs and other impacts to potentially provide additional parking beyond the 460 spaces.

Council Member Berman: I'll second it with a caveat.

**MOTION:** Council Member Scharff moved, seconded by Council Member Berman to direct Staff to proceed with design and environmental review of a 3-story Public Safety Building meeting zoning requirements on Lot C-6, and to proceed with design and environmental review of a new public parking garage using Option C (as described in the Staff Report) on Lot C-7 that will provide approximately 460 public parking spaces (160 net new spaces), including evaluation of costs and other impacts to potentially provide additional parking beyond the 460 spaces.

Mayor Holman: Do you care to speak to your motion, Council Member Scharff?

Council Member Scharff: Sure, I'm happy to speak to the motion. I think it's important that we do the three-story building frankly. I've been watching over at our Chief and Ken Dueker over there. I could see real concern, frankly. I'd be happy to have you guys speak to it, if you want. I've seen real concern if we do the two-story option. I think we also have to look at and say to ourselves that this is a zoning-compliant project. It would not be zoning compliant to do the two-story, which would go against a lot of things that have been said from this dais recently. I also think we need to look and say—I appreciate Council Member Filseth looking up the big project

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that's going right on Ash and Sherman there, which is 42 feet high. I appreciate Council Member Burt's point that this is really 45 feet. This project would basically be the same height as the one on Ash Street, and you have the large Courthouse that's 60 feet. I think any notion that it doesn't fit in with the context is, frankly, mistaken. I do think it's really important to have retail. I think that enlivens that. I think we've made mistakes in the past by not having retail. I like that idea. I think that it's a real value to the public. I think we're going a little too far down, but I actually like Council Member Burt's idea a lot, of a park as opposed to a plaza. Those plazas never get used. I walk by Cal. Ave. all the time. the little park next to the new Sherman Avenue project, there are always people sitting there, reading, enjoying themselves. Whereas in plazas, I actually don't see anyone usually. I think that was a good suggestion. I appreciate all the work we've put into this. Hopefully we'll move forward on it.

Council Member Berman: I agree with everything that Council Member Scharff said about the Public Safety Building. I'm fully onboard. I like the park idea. I'd love, if it's possible—I know we'll have some of these details later. If there's some way also to utilize it as a plaza in the sense of movies in the park or something like, which I know are very popular in other communities around Palo Alto and could be a real draw for Cal. Ave. and the neighborhoods around it. In regards to the parking structure, I'd ask—my understanding was that Staff was just looking for approval for moving forward on design and environmental review of a new garage on Lot C-7, but that you do not need the specification of Option A, B or C or additional elements. Is that correct? You just need approval for the garage. You'll analyze different ...

Mr. Sartor: Yes, that was our recommendation. Council Member Scharff has actually added the caveat which we could live with and design around.

Council Member Berman: Of Option C?

Mr. Sartor: Of including retail which would be as shown in Option C.

Council Member Berman: (crosstalk) while I think I might get there eventually, for purposes of trying to move forward more quickly tonight, I'd ask—I guess I'll happily second it as is. If numerous Council Members aren't comfortable with that, I'd encourage Council Member Scharff to consider the broader approval so that we can move forward on this item. I'll leave it up to other Council Members, I guess, to oppose this idea if they feel that way. Given the time of the night, I'd love to move forward quickly and keep going.

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Mayor Holman: Council Member DuBois, I don't (inaudible). Excuse me. Council Member Scharff, I don't see you looking to respond to this. Are you just waiting to see what other people have to say?

Council Member Scharff: I was going to wait to see what you had to say. I'm happy to respond to it. I actually think if we can make the retail decision tonight, I think that helps Staff. If there's a lot of concerns about it, we can split it and have a vote on that separate from the rest of it or we cannot make the decision tonight if Council Members want to think about it some more.

Mayor Holman: Let's see where other Council Members are then. Council Member DuBois.

Council Member DuBois: A quick question. You eliminated Staff's Recommendation Number 1. I just wondered if there was a reason for that.

Council Member Scharff: I eliminated Staff's recommendation for what?

Council Member DuBois: Point 1.

Council Member Scharff: I thought it was just gratuitous frankly, didn't mean anything. I didn't include it.

Council Member DuBois: I think there's a lot of interest from the merchants to get as much as parking as possible. I think it would be good to understand—it sounds like it's going to be too expensive looking at three floors underground versus two floors. Again, you're not asking for us to specify, but I prefer the retail option. I think you heard that preference from several people, so hopefully that remains in the mix.

Mayor Holman: Council Member Burt. Is that your name? Council Member Wolbach.

Council Member Wolbach: Actually I'd suggest we just go back to the Staff recommendation as it appears in the Staff Report. I'd actually be open to exploring consideration of housing instead of or in addition to the retail. I don't want to narrow down the choices at this point. I'd offer a friendly amendment to just stick with the Staff recommendation.

**SUBSTITUTE MOTION:** Council Member Wolbach moved, seconded by Council Member XX to:

- A. Review and accept the Public Safety Building Site Evaluation Study of California Avenue Parking Lots C-6 and C-7 for construction of a new Public Safety Building and public parking structure; and

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- B. Direct Staff to proceed with design and environmental review of a 3-story Public Safety Building meeting zoning requirements on Lot C-6, and to proceed with design and environmental review of a new public parking garage on Lot C-7 that will provide approximately 460 public parking spaces (160 net new spaces), including evaluation of costs and other impacts to potentially provide additional parking beyond the 460 spaces.

Council Member Berman: (inaudible)

Council Member Wolbach: Any second? I guess everybody wants to go with retail.

## **SUBSTITUTE MOTION FAILED DUE TO THE LACK OF A SECOND**

Mayor Holman: I don't have any other lights. I have one. I just want Staff to commit to understanding that—I think you do—we're not just looking at zoning compliance. We are looking at the architectural standards that we have set in our Code that will be satisfied, and the other things I mentioned about design. I'm happy to support retail being a part of this and looking for Staff to present some options having to do with that. With that, the motion ...

Council Member Wolbach: The motion doesn't show any of that.

Mayor Holman: Yeah, it does because it's Option C for the parking garage.

Council Member Wolbach: It's not in there. It's not (inaudible) it's not in the motion. (inaudible) at the screen right now.

Mayor Holman: I thought you had mentioned Option C.

Council Member Scharff: I did say (inaudible).

Mayor Holman: it was Option C for parking structure options, David. Greg, you good? The motion in front of the Council then is ...

Council Member Wolbach: Does he want to have the retail (inaudible)?

Mayor Holman: It is covered, because it's Option C which has retail in it. The motion in front of the Council is to direct Staff to proceed with design and environmental review of a three-story Public Safety Building meeting zoning requirements on Lot C-6 and to proceed with design and environmental review of a new public parking garage using Option C on Lot C-7 that will provide approximately 460 public parking spaces, 160 net new spaces, including valuation of costs and other impacts of potentially

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providing additional parking beyond the 460 spaces including a standalone public parking structure over to—that's redundant. That's redundant; we don't need the "including that." You're good there? Greg, you understand why I took that part off?

Council Member Scharff: Yeah, fine with me.

Mayor Holman: With that, I see no other lights. We ought to do every item at 10:30. That passes unanimously.

**MOTION PASSED: 9-0**

Mayor Holman: Thank you colleagues. Council ...

Mr. Keene: One hour on target.

Mayor Holman: Council Members, it is a quarter to 12:00. What is your pleasure about the bridge? It seems to be that we will be taking this up.

26. Next Steps for the Highway 101 Pedestrian/Bicycle Overpass Project: Direct Staff to Cease Negotiations With Moffatt & Nichol, Issue a new Request for Proposal (RFP), and Seek Additional Funding.

Mayor Holman: We go now to Item Number 26, next steps for the Highway 101 pedestrian/bicycle overpass project, direct Staff to cease negotiations with Moffatt & Nichol, issue a new RFP and seek additional funding. That is what is before us. I'm sorry, Molly. We never got back to the CC(2) zoning. Does Staff have a presentation please?

Mike Sartor, Public Works Director: Yes, Mayor Holman, we do have a presentation. Brad, do you have that up? All right. I'll turn this over to Brad Eggleston, our Assistant Public Works Director.

Brad Eggleston, Public Works Assistant Director: Good evening, Mayor Holman and Council. We'll try to go quickly through this as well. There's our overview of the presentation. Some brief background. We had the design competition December of last year. The guidelines for that competition specified a construction budget of \$8 million. The Moffatt & Nichol design team submitted information that included a construction cost of \$9-\$9.5 million with a \$1.9 million fee. At the Council meeting where we discussed the results of the design competition, Council selected the Moffatt & Nichol design team and directed us to negotiate a design contract with them but also to independently verify the constructability and cost of that design. After receiving that direction in March, we were able to coordinate with Caltrans and have them do a constructability review. They confirmed

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that they did think that the one-of-a-kind design was constructible. However, once our contract discussions with Moffatt & Nichol began, they submitted an updated construction cost of \$12.2 million with an updated design fee of \$2.4 million. After some ongoing discussions with them about the cost of the bridge and about that fee, we ended up with an updated construction cost estimate of \$12.8 million. When we look at soft costs including the 20 percent design fee, that got us to a \$17 million project budget. There's a little information here about our current project budget, which is just about \$10 million. There's some additional funding that the VTA has identified, \$350,000. There is also an offer from Google, who is very interested in seeing this project proceed, to contribute \$1 million. There are some strings attached to that offer that Staff needs to investigate before we can have much certainty that it would work out. If we were able to ultimately accept that contribution, the updated project budget would be about \$11.4 million. There's also some potential funding from the Santa Clara County Recreation Funds that had been allocated for the Stanford Perimeter Trail and could potentially be available for this project. Looking forward at the cost comparisons and ideas for moving forward, our recommendation as you've seen in the report is to go out to an RFP that would look toward a more standard design closer to our existing budget while trying to incorporate design features that came from the design competition and that might somewhat increase the costs, but that we'd be kind of able to evaluate on a one-off basis. I wanted to clarify that when we're using the term "standard" here, we're primarily referring to a more standard bridge structural system, like a concrete box girder or steel girder. It doesn't necessarily mean that we're saying just a Caltrans standard narrow bridge that you might see in other places. We would still be looking at enhancements to the standard structural system design. We just wanted to point out that we do think that, even despite the current budget of \$10 million that was established in 2011, we know costs have increased since then. Caltrans' cost index would suggest that they've gone up about 40 percent. We're kind of conservatively showing this more standard bridge cost range of \$10-\$12 million now. With Moffatt & Nichol's design, I referenced the \$17 million cost estimate. Although we've been discussing that estimate, their design uses a one-of-a-kind structural system that combines girders and a self-anchored suspension system. We're very concerned about that unique design, that it could lead to delays and costs beyond that \$17 million estimate. In fact, Staff and in particular Elizabeth Ames, the Project Engineering on this, has talked to multiple bridge contractors and a designer who did some review of the design and stated that they thought the ultimate cost would be much more than \$17 million. This slide shows some examples of four bridge projects that were completed fairly recently, over the last 3-5 years. The two on the left, the Ralston Avenue in Belmont and Permanente Bridge in Mountain View, are concrete



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box girder designs that contain some kind of enhancements either in their fencing or railing for these. On the right, the Iron Horse Bridge in Pleasant Hill is an art suspension bridge. The Harbor Drive Bridge in San Diego is a self-anchored suspension with a concrete box girder. That Harbor Drive kind of dual structural system is similar in certain ways because of the dual system to the Moffatt & Nichol design. You can see while that one has a main span that's larger than what we're talking about here, it ended up with a very high cost. These costs have been escalated to current dollars using a 5 percent annual increase rate. This is some detailed information that we could reference if we wanted to, but I won't try to walk through it. In terms of the options we see now with the analysis we've done of these costs, there are really two. One is proceeding with the Moffatt & Nichol design. Staff does not recommend this because of the \$17 million project cost and, just as importantly, the opinions we've heard from others that the final cost could be much higher than that. The other option and the one that we are recommending is to essentially reset the process with a fresh RFP for design of a bridge with a more standard structural system. We'd target design towards what we're anticipating would be that budget of \$11.4 million. We'd design for standard structural systems, but look at containing enhanced features that we looked at during the design competition and also to afford those enhanced features, continue to seek additional funding and try to target a range of \$13-\$17 million. This slide lists some of the types of enhanced features that could be evaluated. Things like a wider bridge deck than the 12 feet that Caltrans calls standard; stainless steel railings; artwork integrated into plazas; decks and fencing; enhanced lighting and potentially features that could help minimize the height of the bridge. I also wanted to add that with this process we're proposing there would be multiple opportunities for Council to be able to review the work we're talking about. Following the RFP, the design contract that would include the description of the items that would be assessed and how that would work would come to the Council for approval. We would envision that during the design process, once we had that conceptual design information and cost and conceivably some updated budget information, we would come to the Council to review those and make determinations about which enhancements to include. On the funding and timeline, I think we've covered the funding. This is the current timeline. What we're hoping to do is get out to RFP with this very quickly, like in the next week. Then we're envisioning a fairly quick process, trying to get back to Council in about a 3-month timeframe with award of a contract. I've kind of touched on our recommendations, but here they are. We're recommending to stop negotiating for the low-profile Moffatt & Nichol design; proceed with an RFP for a more standard bridge structural system that could meet the anticipate project budget; work with Google to evaluate whether the City would be able to accept their contribution; and also pursue additional funding. With that, we'll welcome your questions and comments.

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Mayor Holman: We do have a few speakers to speak to this item tonight. I hate to do this to you. Let's see; we've got six speakers. I almost think we have to. I tell you what. We'll set the timer for 2 minutes, and if you need a third minute, just let us know. We'll try to keep comments to 2 minutes. Gary Antonucci to be followed by Steven Grover. When you hear your name called, if you'd come to the front, that'd be great.

Gary Antonucci, Moffatt & Nichol: Good evening, Madam Mayor, members of the Council. I am Gary Antonucci with Moffat Nichol Engineers, the Project Manager for the Adobe Creek design team.

Steven Grover, Moffatt & Nichol: I'm Steven Grover, the Project Architect. We're going to combine our 2 minutes each to 4 minutes total if you don't mind. We're here to request that the Council choose a third option, which would be continuing to work with us to refine the design that you selected in order to meet whatever budget target that you are interested in. A little bit of background. Here's the 2011 planning cost estimate that whoever put together did a great job. Here's what it is in 2015 dollars, \$13 million. That amount of money is—all of our cost estimates have consistently shown that that amount of money is sufficient to meet your full wish list for this project. Our estimates have come in between \$12.2 and \$12.6 million. Here's your \$13 million estimate when you consider it in 2015 dollars. We've recently learned that you would like to consider a different construction or total project budget. Here are just three of many variations that we have talked about for reducing costs on the project. We'd be happy to go into more detail about some of these for you. Staff has suggested that you have just two options for moving forward with this project. Of course, there is a third option, and that would be the normal option in a situation like this, to work with the team and work with the design that you've already selected. This option has some very significant benefits. First and foremost, it would save the City a lot of time. It delivers the project much more quickly. An RFP process typically takes at least 6 months, and it does not include design. You would need to start a new design process after the RFP process and a new community input process. Another major benefit is that we have already achieved some major milestones on this project. We have a design that the community likes, and we have a design that Caltrans thinks is practical and feasible. It would take an unknown amount of time to get to this same place with a completely new project. Another major benefit of Option 3 is that we know this project intimately. We have invested nearly 2,000 hours of our own time over the course of more than a year in this selection and design process for the City of Palo Alto. Therefore, we are frankly in the very best position to either assist you with grant applications—we just got \$3 million for our client in Oakland, for example—or to work with you on value engineering. We have a lot of creative ideas for your value

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engineering. I'm sure you would agree that it would be unfortunate for the City to lose that benefit of all this investment. The Moffatt & Nichol team has collectively designed over 700 bridges in California. We have a lot of experience with cost estimating. We have a lot of experience with delivering projects like this. Working with us is simply put the fastest way to deliver this project. We're just asking, give us a budget target and let us get to work. Thank you.

Mayor Holman: Thank you very much. Our next speaker is Shani Kleinhaus, to be followed by Mike Ferreira.

Shani Kleinhaus: Good evening , Mayor Holman and City Council. My name is Shani Kleinhaus. I live on Corina Way, and I speak as a resident of the City and no other function tonight. I'm reviewing the general plan update, and there is a previous program which is the current Comprehensive Plan talking about enhancing gateways and emphasizing the creek bridges and (inaudible) the entrance of the City, especially mentioning Adobe Creek. I think this was the motivation for trying to get to a very aesthetically pleasing bridge that was the source of the design competition. There is a lot of value in having a lovely bridge there. I would like to see one; I live near there. I guess I'm here to advocate for not giving up the design that is so lovely. When I advocated previously for not having the big bridge, a lot of people supported this. They thought it was a very lovely bridge. Most people did not like the confluence big bridge of those that I talked to. A lot of people liked the more subdued, harmony-type of design that the Moffatt & Nichol group brought up. I want to speak for a minute for Mike Ferreira; he could not stay this long. He is the conservation chair of the Loma Prieta Chapter of the Sierra Club. He gave me a sentence to tell you. He was very concerned with impacts into the Baylands and the open space. The Moffatt & Nichol bridge minimizes those impacts. He asked me to say that he wishes the City would rescue as much of this existing project as possible or as feasible to rescue. Thank you.

Mayor Holman: Thank you. Robert Neff to be followed by Herb Borock.

Robert Neff: Thanks. I just wanted to speak to encourage Council to find the path for building this bridge in the most timely way. The sooner it gets built, the sooner we do have a year-round crossing for bicyclists at that location in Palo Alto, instead of the current 6-month crossing. I'm glad to see the bridge design coming to you to be reconsidered for costs and for what's the best way to move forward. Finally, I'd like to say that the 12-foot width which is the Caltrans standard is really quite a generous width. All the bridges that you see around here for bicyclists are 12 feet or less. The Permanente Creek one is only 10 feet wide. There are bridges in Sunnyvale

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where the bridge deck is only 8 feet wide, and the fences go out at an angle, so you have a little more space. I think 12 feet will be really terrific. Thanks.

Mayor Holman: Thank you. Our final speak on this item is Herb Borock.

Herb Borock: The Staff Report on Packet Page 1138 refers to a part of the project as being a path along the Santa Clara Valley Water District's maintenance road for Adobe Creek. I thought we learned from the Matadero Creek bicycle project idea that the Water District doesn't want us using those maintenance roads. The \$17 million number appears in two places. One, it's an estimate of what the current contractor project would cost. Then it's also on Packet Page 1140, the amount of money that Staff is seeking for a budget. Those monies don't include the amount on packet page 1141, the \$890,000 in Staff time that has already been spent. The more time Staff spends and the more changes there are, that's more Staff time and more dollars that could be spent on other projects that Public Works could be doing. The Google letter is here for the second time in 2 weeks. There are four reasons why I think you should ignore it at this time. The first is that 2 weeks ago it appeared at your places with the Agenda Item Number of the fiber to the premises project. You'll recall that was something you voted on to essentially—I view as a gift of public funds proposed to Google for paying to connect at the \$300 a home all the residences and businesses perhaps that don't want to pay for themselves to connect to Google for which we get a fiber that we wouldn't use probably and that we wouldn't light up and, therefore, wouldn't know whether it's being deteriorated. Surely no one's going to go bribe you to give that much money for Google's fiber project. If they gave a donation to somebody's favorite charity or favorite project like a bridge, maybe you'd do it. That's the first reason. The second reason is it really isn't a donation. They want something in exchange for it. The third reason is that they're asking that the design of the bridge be based on how much money they're giving you rather than following the California Environmental Quality Act in determining what the design of the project should be. The next reason is that they want a traffic mitigation for an unnamed project. The way environmental review goes is first someone submits a project application and you do the environmental review and you determine the mitigation. The final reason is there's not really a mitigation for anything because project components are not themselves the mitigation. The City in the East Meadow Concept Area Plan in the extension of the fiber ring to East Meadow and to provision of a splice point for the fiber ring at East Meadow--I'll finish in less than a minute. All were to encourage someone ...

Mayor Holman: That was 3 minutes.

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Mr. Borock: I had no way to tell from that. All provided Google the opportunity to have 200,000 square feet of office space at East Meadow. The one who most benefits is Google for the bicycle connection between their East Meadow campus and the Google Plex. They should be paying the \$10 million and we should be contributing \$1 million. Thank you.

Mayor Holman: Thank you. Let's do the same thing here, questions, comments, 3 minutes. Council Member Wolbach, you had your light on first.

Council Member Wolbach: The feasibility study back in 2011 listed a few goals for the project. The initial goals were year-round access, safety, range of user groups and access to recreational areas, the environment, out of direction travel, aesthetics, cost effectiveness, surrounding property owner security, service and consistency. There were some other evaluation criteria which were later added. Aesthetics is one of them. I think the primary focus here is practicality, not utilitarianism to the point where we don't care at all what it looks like. The goal was let's get something that provides people with access across 101, whether they're on foot or traveling by bike. One of the questions I asked the last time we discussed this was whether San Antonio and improvements to the San Antonio crossing, which is only a third of a mile away from this considered location, had been considered. I was told by Staff back in March of this year that San Antonio had not been part of the feasibility study. I went and looked it up and actually it had. San Antonio was one of the initial 12 considered locations or alignments for a crossing. In the initial narrowing down, seven of the 12 initial alignments were removed. San Antonio was one of those. While the feasibility study from 2011 explained why the others were removed, it did not explain why San Antonio was removed. To explore a San Antonio crossing or improvements to the San Antonio crossing, what we'd probably want to do is get an easement across the parking lot, which I believe is SSL's at 3733 to 3799 Fabian Way which is right at the corner of where Fabian turns into Bayshore, and also figure out how to get a safe crossing over or under or around the San Antonio exit from 101 southbound. The real question is have we ever from the City Staff, ever, in the last 4 years, 5 years, talked to VTA, the County, Caltrans about work that is planned, considered, etc., for San Antonio and whether we don't have to pay the whole cost. Frankly, if we don't have to pay the whole cost for this, if there are already considerations or we could talk them into sharing costs with us to improve San Antonio crossing, make it usable for bikes, which it is not currently according to our feasibility study, and if we still had some money left over, then we could maybe put that towards improving the Oregon Expressway crossing. We have three ways across 101 in Palo Alto, north, center and south. University, which isn't great, Oregon which isn't great, and San Antonio which is awful. Frankly, I would rather say scrap this bridge and

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improve the locations that we already have, the three that we have and make them effective, efficient, safe.

Mayor Holman: Council Member Kniss.

Council Member Kniss: I didn't know I'd turned my light on, but I'm delighted. I am so frustrated by this, because this began in 2011. Jim, I'm looking at you actually, hoping you're still with us. What has taken us this long to get to--we're at the end of 2015. Was it doing the contest? Where have we along the way completely gotten up to this amount of money? Every time we've discussed it, it went from 8 and then to 10, because the administrative costs had been forgotten. The next thing we know it was 12. In Finance Committee recently, it went up to something even higher than that. It's just stunning that we could be going up like this. At this point, we're talking about being done in 2019. That's a far cry from when we began this.

Mr. Eggleston: Thank you for the question. I can't speak to all of the time constraints that have gotten us to this point. I know that in the time that I've been working on the project we've had some significant delays that were caused by Caltrans requesting more studies from us than were in the original scope and discussions from them, when we first scoped out this project and went into our design contract with Alta, whom we've been working with for the preliminary design and engineering. You're right that the design competition did take a substantial amount of time to plan, to execute, and then here we are. It's now been a year since we were actually implementing the design competition.

Council Member Kniss: Brad, just let me stop you there for a minute. We're really running out of time. At this time, you really feel that we should go back out again with an RFP which is going to put us up probably another 2 years, right? At least.

Mr. Eggleston: No, I don't think--you mean until the project is completed or delay caused by ...

Council Member Kniss: Until we can ride over the bridge.

Mr. Eggleston: I think that the RFP process probably delays us something like a few months, maybe 3 to 6. That's assuming that if we went with the Moffatt & Nichol design and everything was to go smoothly. That's our big concern as Staff, the unknowns about that design and the problems we're afraid we might run into. If I get a chance--yeah, and the cost. If I get a chance, I'd like to speak quickly to the project budget as well. The primary project budget, the funding for the project, has not changed from the \$10

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million for, I believe, a couple of years. Part of the confusion is the way that the budget is presented starting this last year, where Staff costs are embedded within the project. In the past, you would have seen a total budget number that might have said \$8 million for construction and \$2 million for design. Those figures now include the Staff costs. If you're just looking at that, it appears like the budget has suddenly increased.

Council Member Kniss: This has been extraordinarily frustrating.

Mayor Holman: Council Member Berman.

Council Member Berman: I don't doubt that the cost of building bridges has gone up. I don't doubt that the cost of building everything has gone up. We've seen that in numerous different things that we've approved over the past couple of years. We're now coming to developing—I have a trust problem. Maybe I'm misplaced in that trust problem. The City did an analysis in 2011 and said that the bridge—I know I only have a couple of minutes, so I'll ask Staff to be kind of quick—would cost \$8 1/2 million or something like that. Is that correct for construction? Approximately.

Mr. Eggleston: I think we presented a total project range of 6-10.

Council Member Berman: That was City-based in 2011. The applicant came to us in either December 2014 or February 2015 with this design and said it would cost 9-9 1/2 million.

Mr. Eggleston: Correct, December 2014.

Council Member Berman: Three months later, it cost \$3 million more. I have a problem with that. The applicant is claiming that's not the case. I'll give you an opportunity to respond in a second. That's your design. You guys offered up that design. You guys offered up the cost estimate. Staff, let me know if I'm getting this wrong. We had a competition. We asked people to offer up designs and offer up cost estimates for those designs in late 2014. That shouldn't have been based on any 2011 anything. That should have been based on late 2014 cost estimates. We approved it, because I liked the design. I thought it was a good design. I thought it was better than the other design. Based on aesthetics, that was the right issue, but cost was also a factor in that decision. What we had been told by the applicant was that that design cost \$9-\$9 1/2 million in December 2014. If I'm misunderstanding that, then I hope you guys will let me know. I'm pretty sure that was the proposal that you made. When all of a sudden I hear that we approve it in March and then Staff enters into negotiations with you guys and immediately the cost jumps \$3 million, my gut isn't feeling good about the situation. The City's been through some pretty difficult

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experience over the past couple of years in building big civic projects. I'm not interested in entering into long-term agreements if they're starting off with a lack of trust. I want to give the applicant the opportunity to respond. I said I wasn't really going to weigh in on this, and I couldn't help myself. Maybe I'm totally missing the mark here, but that's sure what it seems to be to me.

Mayor Holman: Did you want to hear from Gary or from Steve? Mr. Grover or Mr. Antonucci?

Council Member Berman: Whichever one of the applicant feels is most appropriate to respond.

Mayor Holman: Whichever of you it is, would you please announce who you are into the microphone?

Steven Grover, Moffatt & Nichol Engineers: Sure. I'm Steven Grover.

Mayor Holman: You will need to speak into the microphone. You're going to have to pull the easel closer or whatever.

Mr. Grover: No problem. Thank you.

Council Member Berman: Thank you for responding. Let me ask you in advance, try your best to stick to the question and not go off in too many tangents.

Mr. Grover: I will stick exactly to the question.

Council Member Berman: I appreciate it.

Mr. Grover: The answer is the word contingency. In the design guidelines for the competition, the construction budget was presented without contingency. We presented during our competition entry our construction budget without contingency, \$8 million. This number, we have estimated anywhere between 1 and 2.5. This is for other project costs that are harder to pin down at this point. Which is why this number, contingency, is so important. At this stage of a process of estimating, it is very important and it's customary for good reasons to apply a 20-25 percent contingency to whatever your construction cost estimate is to get to a construction budget which is this number.

Council Member Berman: In your proposal—let's just go to what your proposal was to us in March—I guess what you proposed in December. You're saying that your proposal included the 8 for the bridge; it did not include the 2.5 for the other and it did not include the 2.1 for contingency.



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Mr. Grover: It included 8 for the bridge. It estimated 1.5 here, and it did not talk about the contingency, and it did not talk about soft costs, and it did not talk about construction management. We were only asked to talk about our bridge estimate, and that's what we provided.

Council Member Berman: Thank you. I'll let other folks follow up, because my time's up.

Mayor Holman: I think you may have another question coming up to you in a bit. Council Member Berman. I'm sorry, Council Member Burt. Misspoke, sorry.

Council Member Burt: First, I'd like to wade into the Google offer. I share some concerns about this. I view that this bridge will be a great benefit to Google as an enormous employer just south of San Antonio with many employees who live in Palo Alto, in particular south Palo Alto, who would be big users of this. Their whole model for growth is dependent on a significant mode share especially toward biking. This is going to be a huge benefit to them. What we got was a contribution that is basically a credit that they're asking for against some future development impacts presumably in the East Meadow Circle properties that they own, which would provide them with additional benefit from this bridge between their two developments. On top of that, a stipulation that we select a certain profile of the bridge. Whether we select that or not, it wouldn't raise their contribution. It would raise our expenditure. I think it would be really appropriate for them to make a contribution to this as real beneficiaries. I would not support accepting this proposal as its written. I would be moving, when we come to it, that Staff return for additional discussions with Google without these contingencies.

James Keene, City Manager: I think that's appropriate. I think that's really in keeping with what our recommendation was.

Ed Shikada, Assistant City Manager: Perhaps just to lend the context of the conversations we've had. I think it'd be fair to say that Google wanted their letter to simply be an expression of interest in participating in the project.

Council Member Burt: They should have written a different letter then.

Mr. Shikada: Appreciate that. That said, it was an attempt to open the door to that next phase, rather than necessarily close a door. I don't think we recognize the limitations.

Council Member Burt: Just trying to move quickly through this. I want to understand in value engineering what sorts of different—real quickly—kinds of changes to the design would knock out significant costs from this either

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from the Staff perspective or from M&N. A 12-foot bridge would be ideal, but I don't know that it's a necessity. I don't know how much the cost is driven by that width and some of the other aspects. I guess I'll throw out the final one. Have we had discussions with M&N or anyone else about really how much of a fixed-price contract we could enter into, so that we don't have potential cost overruns?

Mr. Sartor: A couple of quick ones on the cost part. The Moffatt & Nichol design competition is a unique design. It's not only a box girder, but it's a suspended, clear span, box girder. A way to reduce the cost there would be to have a more standard span which would include a center pier in the freeway so it would not have to be suspended. That would be a significant cost decrease. The other part of the Moffatt & Nichol design was that it was an 18-foot wide interior section for bikes and peds with a, I think, 16-foot clear width in that. If you go down to a 12-foot wide bridge, you reduce significant cost there. As far as a fixed price, once we get through the environmental work and conceptual design and we lock in a concept for design, then we could look at alternative construction methods, like fixed-price, design/build, those kinds of things. We need to at least first get through defining what the scope of the project would be. Then we could go that route.

Mr. Eggleston: If I could add one other thing about the discussions we've had with Moffatt & Nichol. In addition to what we've said about negotiating price, we've been negotiating contract terms. One of the things that was somewhat disturbing to us is that they were asking for an exception to our standard language that says that if at any point during the design process cost estimates show that the construction cost is exceeding the budget, the design firm needs to value engineer the project at their own cost. That was with respect to the \$12 1/2 million construction cost.

Mayor Holman: Council Member DuBois.

Council Member DuBois: We had a letter here at places from Moffatt & Nichol. It had a lot of comparison costing information, several different bridges. I do think we need to—I think everybody's clear—be clear between construction costs and total costs, make sure we're talking apples to apples. You said this is a one-of-a-kind design. I guess there is a similar bridge at Happy Hollow. I don't know if that gives us some comfort that, I think, these guys have built ... I'll go through a bunch ...

Mr. Eggleston: That's the other team from the design competition with the arch bridge at Happy Hollow.

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Council Member DuBois: It was. Thanks for that clarification. I thought it was included in here actually, a picture of it. Some of my questions, I'll rattle through them, and you can answer them later. This 20 percent for project engineering and 15 percent for construction, is that pretty standard? I'd like to echo the comments on the Google money. I think we need to understand exactly what we're paying to get that money. My real question. Page 8 says that bridge costs have gone up about 50 percent. There doesn't seem to be disagreement on that. There's a letter in here from November 25 where Moffatt & Nichol said that they could value engineer it to lower prices that seems to be within our budget range. My question is kind of what's going on. Why switch from Moffatt? Why wasn't a price-reduced option considered? Kind of where I'm headed is—in the interest of time, I'd like to see us set a budget, give them a chance to respond. My last question is what approvals do we already have and what we'd be losing if we started with an RFP.

Mr. Eggleston: I think I caught three questions there to answer. The first was whether a 20 percent design fee was standard. No, we don't think so. We had a lot of discussions with Moffatt & Nichol about this, where essentially they were saying that because of the one-of-a-kind nature and complexity of their design, it necessitated a higher than usual design fee. We would think that design fee should be more on the order of 15 percent or in that neighborhood. You had a question about the cost being up 50 ...

Council Member DuBois: The construction management fee of 15 percent.

Mr. Eggleston: 15 percent, that could vary maybe 10-15 percent. That's probably also something that's going to vary along with the complexity of what you're building. You referenced the Caltrans bridge index costs being up 50 percent. Yes, we know that costs have been increasing. For a couple of years now, we've been coming to Council with items on the design competition and the bridge project and mentioning that our number is essentially old and that we know costs are increasing. We had this discussion with the Council before the design competition and specifically got guidance to make sure that we kept that construction cost at 8 million, and even in fact to back out the contingency and try to make it clear in the design guidelines that 7.2 million was really the construction cost budget that we had available.

Council Member DuBois: Now you're asking for a budget of 13-17. It looked like they suggested some lower cost options. It actually seems like you're kind of in the range.

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Mr. Shikada: If I could add, Brad. I've now been with the City for 8 months. In the 8-month time period, the mission has been to execute a design contract with Moffatt & Nichol to get this project moving into the next stage, which included meeting with VTA to talk about project management options, methods through which they could help facilitate because they've been very supportive of trying to move this project forward quickly. The proposal or the elements that you've received basically at places for tonight was largely where Staff had been trying to get the negotiations to over the course of that 8 months. To reinforce some of the earlier discussion, the best way I could describe it is to suggest that the best next step forward would be to do a reset. The RFP would allow that reset. It would allow Moffatt & Nichol to propose what they've offered to the Council, did not offer to Staff prior to coming to this meeting this evening, and to allow that reset of the RFP to basically set a new bar. Last week when we talked about the Infrastructure Plan, you heard from me about the reinforcement of the project management mantra of scope, schedule and budget. Again, over the last 8 months, that is the culture that this department has been trying to implement. The difficulties in negotiating this contract are perhaps a poster child for how it can go sideways if that culture is not embedded and is not reinforced at every opportunity. In the worst case scenario, I think we lose 3 to potentially a little more in terms of months but would certainly reinforce the importance and the discipline that the department is attempting to convey in we have a budget, we have been working to implement an agreement that adheres to that budget and move forward. It's the inability to do that that has brought us here tonight.

Council Member DuBois: I appreciate that, and I hear what you're saying. Just to clarify. You're saying this did not come to you guys, but it was dated November 25th. Did you not get it?

Mr. Shikada: By that time, this had already been agendized.

Mayor Holman: Council Member Scharff.

Council Member Scharff: Thank you. A couple of things. I guess I've got to get something off my mind. Mr. Grover, when you were up there, you were talking about \$2 1/2 million was the other. When you bid it out, it was 8 million plus 1 1/2 million of other. Right? I guess what I'm confused about is your fee is 2.6 million. That's what you're asking for. What's confusing me a lot is it implies to me—I hope I'm wrong, because I want you to explain it—bad faith. If you go in at \$8 million and thinking 1.5 is the other, but then you propose a fee of 2.6, I must be misunderstanding or else I think you're acting in bad faith. I don't mean to be harsh. That's what you just said up there. Maybe you could just explain that.

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Mr. Antonucci: There a lot of aspects of this project that are not well defined at this stage. You want all these pieces here. When we're working on a competition design, we're working very, very quickly. We basically just had to throw a number at all these other aspects of the project. We focused a lot harder on the bridge and assessing the cost of that bridge, understanding that the bridge was a really fixed element for what the project would be. In terms of all these other pieces, art element, new trees, landscaping, streetscape, etc., there's a lot of variability here. Yes, our cost estimates have ranged between 1.5 and 2.5 depending on how conservative you want to be about what we're going to get into as you're working through the process with the community, with the Council and so forth in terms of what people want. Yeah, we tried to be conservative. In terms of our fee, we're using ACTC guide as a checkpoint for—we work up a detailed fee proposal with hours, but we also check it against Alameda County Transportation Commission cost guide for construction costs and also for fees. They recommend for a project that is crossing the Caltrans right-of-way that, on an estimating basis, the engineering and design fees would be around 17 percent. Yes, we estimate that—that's for a standard structure. We estimate that it will take more than that standard structure to design a special structure as you requested. If you want to back off from that and put a center support in and not suspend the main span, that backs off costs (crosstalk).

Council Member Scharff: I think you've answered the question. If I can just have another minute. I think where I come out in looking at this is—what I've heard Staff say is by resetting the process we're not losing that much time and we'd get our best price from Moffatt & Nichol if they wanted to compete in this and everyone else would put forth their best price. We'd have a number of which everyone needs to get to, and that would be the best approach for that. I think I've pretty much bought into that concept that we need to reset it and move forward on that basis. I've got to say—I asked for the pictures. I appreciate you providing them. I think that's helpful. I would not be willing to support a Permanente-type bridge. I think that's really ugly. I couldn't support that. I actually like the Ralston Avenue Bridge. I obviously like the Iron Horse Bridge. I think it's somewhere between those two depending on where we are frankly. What I'm a little concerned of is what I saw Staff put in here. A little bit on the suggested motion was 11.4 million including a million from Google, and then pursue additional funding, public and private funding. Whenever I see that, I'm always really skeptical of where that comes from. I guess the question is should we as a Council say to ourselves we should set a budget, and that budget could be 11 million. I'm not so sure we'd even get the Ralston Avenue Bridge; we might get the Permanente Bridge. Are we going to set a budget of 13 million or 13 1/2? I think we have to have that discussion. To

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save time, I'm just going to say I agree with Pat 100 percent on the Google offer. I'd like Google to put in money, but I think we have to tell them there can't be strings attached. I think that's where I am on it.

Mayor Holman: Council Member Filseth.

Council Member Filseth: I was just going to concur on the Google thing. I'm glad to hear that that's not a definitive thing and open to discussion. It's the Staff that's got to execute on this, not the Council here. If Staff feels like the right thing to do is do a reset, I think we ought to support them.

Mayor Holman: That was quick. I think I will go to Council Member Kniss' opening comments about how frustrating this is. It's more than frustrating. Rather than just pound on that, I remember when we started this that we held out—I can't remember if it was the contingency amount or it was the design amount. We held out one or the other of those. I think it was a \$10 million project and we held out 2, if memory serves. I'm pretty sure about that, that we held out 2. It was going to be a \$7.2-\$8 million design bridge. That gets us to 10, and that's in the dollars back then. We've heard everything from 30 percent to tonight heard 50 percent escalation in construction cost. I'm really glad you brought these images. Thank you for doing that. I concur with Council Member Scharff. I am left bored with the Permanente Bridge, no offense to anybody hopefully. I just couldn't go with that. The Ralston Bridge is okay. The whole purpose of this was to get a nicely designed bridge and not something just out of the can or something that looked like something everybody else has. It doesn't have to be an absolute showpiece, but it needs to be something that we can be proud of in this community. The date that was put out here was 2019; I think that was in the presentation about the 2019 construction completion. Does that mean if we started construction on this project, if we're only going to lose 3 or 4 months by going for an RFP, does that mean we still wouldn't have a bridge until 2019? That's 3 years or, depending on when in 2019, maybe closer to 4 years.

Mr. Eggleston: There's a pretty complicated design and Caltrans review process. We've had a couple of engineers working on extremely complicated schedules, and they've said that that's even kind of pushing it, that we're being ambitious shooting for starting construction kind of in the beginning of 2018 at this point.

Mayor Holman: My last question. Let's just say Moffatt Nichol was interested in pursuing a project along the lines of what they proposed, but maybe scaled back where it could be more economical. I'm not a bridge expert to know whether having the center column would reduce the cost

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significantly. I don't know if that's a safety issue or not. I'll leave that to you all later. What would happen if we—as opposed to doing a full out RFP, since there were three firms out of, I think, 24 or 25 that submitted, what if we went back to those three firms and said, "Here's our budget. Do you want another crack at it?"

Mr. Keene: If I just might add. The value of an RFP is that, one, it puts the work and the burden on the respondents. Two, in one sense the larger the pool of responses we've got, the more data and information we have and the more potential we have. I don't know that limiting it to three in any way really saves us any real time. I think more information and more options will be more helpful and the fact that we're trying to balance costs, timing, design and aesthetics, all of those factors at a minimum.

Mayor Holman: Generally, I would agree with you, but I was very observant of this whole process. I think I missed one meeting that was held including the architects' vetting through all of the respondents and stuff. Because they're teams, it took a lot of effort by several people—I think it was five AIA judges—to go through all of those respondents to even determine which teams were viable. I can just see like hundreds and hundreds of hours on the part of Staff to vet through the design teams, because these are complicated. That's what I watched.

Mr. Sartor: May I remind you, Mayor Holman, the design competition firms that were selected to actually compete were compensated for their work.

Mayor Holman: That's not my point at all. I was just talking about how much time it took, before they had done any work, just to vet the teams that were put together. There was no compensation at that point in time, I don't believe, unless it was very minimal. The three teams that responded and did designs, yes, they were compensated. I could see this being a big, dark hole that we're engaged in. I need to stop there. Council Member Wolbach.

Council Member Wolbach: Something I mentioned earlier, discussed at greater length and asked about back in March, has there been any outreach to the County? Do we know what's happening with the San Antonio overpass redesign that the County, I believe, is working on? Do we know anything about that and whether that includes bicycles?

Mr. Sartor: We actually asked our transportation folks today what the possible status was. I remember when I was in Mountain View 12 years ago, there was some conversations about Caltrans replacing that interchange primarily because of the access to Highway 101 going southbound, where you actually now have to drive through the residential

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area. At this point Josh Mello got back to us today and said that as far as he knows there is no funding identified for redoing the San Antonio overpass by Caltrans at this point. As we know now, that is really not an option, other than to put bikes and pedestrians on the current structure.

Mr. Shikada: Also just to reinforce in terms of the County and in this particular case, VTA, we did meet with VTA about 3 months ago, was it? Again, they're very supportive. They're putting money into this project. Clearly they don't see it as duplicative with any other project.

Council Member Wolbach: I'll move the Staff recommendation.

Council Member Kniss: Second.

**MOTION:** Council Member Wolbach moved, seconded by Council Member Kniss to:

- A. Cease negotiations with Moffat and Nichol for a contract for design of the Moffat and Nichol low-profile suspension bridge, Submission C, from the Adobe Creek Pedestrian & Cyclist Bridge 2014 Design Competition; and
- B. Proceed with a Request for Proposal (RFP) for design services to develop a new bridge concept for the Highway 101 Pedestrian/Bicycle Overpass Capital Improvement Program (CIP) project PE-11011 that meets the current CIP budget of \$10.1 million (not including Staff costs), with a budget addition of \$0.35 million in Regional Improvement Program construction funds and a potential budget contribution of \$1.0 million from Google, for a total anticipated budget of \$11.4 million; and
- C. Partner with Google to secure a \$1.0 million contribution from the company to supplement the project budget for the Highway 101 Pedestrian/Bicycle Overpass; and
- D. Pursue additional public and private funding to support inclusion of enhancements to standard bridge design and construction cost increases, for a potential upper project budget of \$13 to \$17 million.

Mayor Holman: Do you care to speak to your Motion?

Council Member Wolbach: No. I'd rather go home.

Mayor Holman: Council Member Kniss?

Council Member Kniss: Nope.



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Mayor Holman: Council Member Scharff, speak to the motion.

Council Member Scharff: I'm a little concerned about the motion. I mostly agree with it. I think we're not being realistic in terms of the budget here. I think we should set a more realistic budget. If it was me, I would set a budget of 13.1 million with an additional million from Google if we get. Do we really want to put it in there? Maybe Google will give 3 million. Shouldn't we say explore additional funding options from Google rather than saying a million dollars?

Mr. Keene: I think that would be fine.

Council Member Scharff: First of all, I'd offer a friendly amendment that says that we'd pursue additional funding from Google.

Council Member Wolbach: I'll accept that.

Mayor Holman: Council Member Kniss.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to replace in Part C of the Motion, "a \$1.0 million contribution" with "additional funding options."

Mr. Shikada: If we could also note that further additional funding that we're referring to is the Stanford Trail funds that had been de-obligated.

Council Member Scharff: I thought that might be like ... I guess I'll ask that question. I think 10.1 million plus the .35 and the 1 million for 11.4 is unrealistic. I'm just looking at the bridges we get. I'm fine with it if we want to move forward with those numbers in here. I'm actually a little uncomfortable in having that. At the bottom it says 13 to 17 if we can get it. I actually think we probably need to get to that 13 million.

Mr. Keene: I agree.

Council Member Scharff: In Finance Committee, we put \$6 million aside. I'm not saying we should use the 6 million. I'll ask if you're willing to do an anticipated budget of 13 million as opposed to 11.4. That would just mean a budget of—I'd say a budget of \$13.1 million. Well, 13 million less the .35 million, whatever that is. I can't do the math at this hour.

Council Member Wolbach: First, I wanted to see if the seconder of the motion was going to accept your first amendment.

Council Member Kniss: Where do you want this inserted?

# TRANSCRIPT

Mayor Holman: You kept going with your amendment. If you could restate your first. We need the ...

Council Member Scharff: The first amendment was to remove the amount which (crosstalk).

Mayor Holman: Hang on just a half second here. Going back, Greg, for your amendments.

Council Member Scharff: I'll start with the amendment. It would say a potential contribution from Google. I don't think I would say what the number is. I would just cross out the 1 million.

Mayor Holman: That's in ...

Council Member Scharff: (crosstalk) Section C. We could just—I think I just like the way "C" is. I think that's fine. I think "C" is fine; just leave it like that. We need to take it out of "B" somewhere, the numbers.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to remove from Part C of the Motion, "and a potential budget contribution of \$1.0 million from Google."

Mayor Holman: It's in the next to last line on "B." You're proposing to remove it out of "B"?

Council Member Scharff: I am. I would say with a budget addition of .35 million in regional improvement construction funds for a total anticipated budget of—right now it says 11.4 million. My second amendment would be that we would change that to 13.

Mayor Holman: Council Member Wolbach, are you good with both of those amendments?

Council Member Wolbach: Let's see if—I'd rather just do it one at a time to be clear. I'd get rid of the Google reference, if Council Member Kniss is comfortable with that.

Council Member Kniss: I didn't hear you, Cory. What?

Mayor Holman: Cory, are you accepting that amendment?

Council Member Wolbach: The two amendments together?

Mayor Holman: No. Are you accepting the first amendment? You wanted to do them one at a time.

# TRANSCRIPT

Council Member Wolbach: I already accepted the first amendment earlier.

Mayor Holman: Council Member Kniss?

Council Member Kniss: Yep. Where are you putting the 13?

Council Member Scharff: The only thing I'm doing now is instead of saying 11.4, I think we should say 13 for a total anticipated budget of 13.4

Mayor Holman: At the very end of "B," instead of 11.4?

Mr. Keene: Yeah, we just do that. I hate to say it. I don't even think you need all this detail of the existing funding in the thing. Just strip it down to the \$13 million, because we've actually got to fill in some gaps anyway that's not identified there.

Mayor Holman: We're getting down to a construction ...

Council Member Scharff: Why don't we just say that meets the overall CIP budget of 13 million? Why don't we just say that?

Mayor Holman: Council Member Wolbach, are you good with that?

Council Member Wolbach: I'm comfortable with that.

Mayor Holman: Council Member Kniss?

Council Member Kniss: I think at ten of 1:00, I'm probably just fine with it.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to replace in the Motion, "\$10.1 million (not including Staff costs), with a budget addition of \$0.35 million in Regional Improvement Program construction funds for a total anticipated budget of \$11.4 million" with "\$13 million."

Mayor Holman: Council Member Scharff, any other amendments?

Council Member Scharff: Nope, I'm good with that.

Mayor Holman: Council Member DuBois.

Council member DuBois: The part I'm struggling with is the design. I like this design. I'm concerned that the best price may not be the prettiest design. How does Staff recommend we get away from the cheapest bridge?

Mr. Keene: I had a thought about this just for a second. This 13-17 million suggestion is a little awkward the way we put it in here. That really would

# TRANSCRIPT

be dependent upon being able to access some additional funding that may not become available until later on in this process, the concurrency of the process. I'm not so sure that we wouldn't want to think of a little amendment piece here that would say we focus on the \$13 million target, and that any competitive bridge would have to be able to provide a bridge design at that cost. If there were value engineering on their design that they had to do to meet that goal, could they identify the add alternates back into the bridge with the cost amounts in the event we were able to get extra money? That way you kind of get a better sense of some outer sense of the design, but we don't have \$17 million right now.

Council Member DuBois: We're talking about total costs for the 13? Would it be reasonable to say request for a design similar to the current concept?

Mr. Eggleston: I think it would depend on if by similar you meant the same structural system and the same very thin kind of structure that introduces those uncertainties that we're worried about versus things like very nice architectural railings, enhanced lighting, plazas, the addition of the stairs, the wider pathway and those sorts of amenities.

Council Member Dubois: It sounds like there may not be an appetite for this, but I'll propose a substitute motion that we would move forward with this bridge design for a hard budget of \$13 million. With Moffatt & Nichol.

**SUBSTITUTE MOTION:** Council Member DuBois moved, seconded by Council Member XX to move forward with the Moffat and Nichol bridge design with a hard budget of \$13 million.

## **SUBSTITUTE MOTION FAILED DUE TO THE LACK OF A SECOND**

Mayor Holman: I don't see any other lights from Council Members. I just want to clarify one thing. In the RFP process, if Staff would commit to making sure that the other two design competition teams would be contacted and absolutely be informed of the Council action this evening. If Staff could also return to the Council if there are any timing delays or anything given what I'd observed previously and how complex it is to vet teams, in terms of vetting teams. I don't think any of us want to—I think Tom mentioned not having an appetite for something. I don't think the Council has an appetite for a year delay. Vice Mayor Schmid.

Vice Mayor Schmid: Just a clarification. We're going to an RFP and saying we have \$13 million. At the same time, anyone who reads this said, "They have a budget of 17 million."

# TRANSCRIPT

Mr. Keene: That's why I think we need to change "D" here, so it's very clear that the project is 13 million, and that we want a bridge design that delivers a bridge at that cost has to be the primary delivery. If we do want to allow for the ability to identify additional enhancements in the bridge design or its functionality ...

Vice Mayor Schmid: After the completion of the RFP process?

Mr. Keene: I think they could identify those things outside of it, but they would have to meet the test of being able to deliver a \$13 million bridge. We would know what \$4 million extra could potentially buy, so that if we were able to secure additional funding, you could look at those.

Vice Mayor Schmid: I'm just concerned that that sounds a little bit like what happened with M&N. We said here's the amount of money for the bridge, but now let's add these other little things. They came back and said that's too much.

Mr. Keene: We would be asking them to identify the costs of what those additional things specifically would be. Whether we had the money or we didn't have the money, we could choose whether or not you wanted them.

Vice Mayor Schmid: The RFP is clear we're asking for a base design of 13 million.

Mr. Sartor: Our standard contract would include a clause that says if they come up with a design that exceeds that budget, they would have to do value engineering and redesign at their cost to bring it back within the budget. That will be in the contract.

Mayor Holman: A clarification. This may be what you're going to, Jim. We're going to pursue additional—this is "D." We're going to pursue additional public and private funding to support inclusion of enhancements to standard bridge design and construction cost increases. Do we want to delete the parts that say for a potential upper budget? Is that what you're saying?

Mr. Keene: At a minimum, you take that part out, because we've already set a budget of \$13 million. That's a moot point. You just take that out.

Mayor Holman: We just take that part off. Is that good with ...

Council Member Wolbach: I'm fine with that.

Mayor Holman: Council Member Kniss as well?

# TRANSCRIPT

Mr. Keene: That gives us enough guidance to know how to write the RFP within the Council's intent.

Council Member Kniss: That's what we wanted to have taken out. That left it too loose.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to remove from Part D of the Motion, "for a potential upper project budget of \$13 to \$17 million."

Mayor Holman: Just one last thing here. As a part of this, we're ceasing negotiations because we're going broader here. Moffatt Nichol will still be able to participate; they'll be ... They can present and propose whatever their scaled-back project is. I think that is it. I don't see—Council Member Wolbach and Council Member Kniss, you're satisfied?

Council Member Kniss: We're happy.

Mayor Holman: The motion is basically to go out with an RFP to meet a construction budget of \$13 million—I'm condensing here—and to seek additional public and private funding to support inclusion of enhancements. That's really a compressed version; that's the abridged version. With that, vote on the board please. That motion passes unanimously.

**MOTION AS AMENDED PASSED: 9-0**

Mr. Keene: (inaudible) seeing almost all of you later on today at either Finance or Policy and Services. We'll be back in the office by 8:30 in the morning; that's 7 1/2 hours from now.

Inter-Governmental Legislative Affairs

None.

Council Member Questions, Comments and Announcements

Mayor Holman: I don't suppose there are any Council Member Questions or Comments this evening.

Adjournment: The meeting was adjourned at 12:58 P.M.

Mayor Holman: Meeting adjourned.