



CITY OF PALO ALTO CITY COUNCIL MINUTES

Special Meeting
July 23, 2012

The City Council of the City of Palo Alto met on this date in the Council Chambers at 4:39 P.M.

Present: Burt, Espinosa, Holman, Klein, Price, Scharff arrived at 5:28 P.M., Schmid, Shepherd, Yeh

Absent:

SPECIAL ORDERS OF THE DAY

1. Recognition of Website Advisory Committee.

James Keene, City Manager said that in 2008 in the wake of comments and consternation about the City's website and design they tapped the expertise of the community. The project was collaborative effort by the volunteer citizens and the City Staff to improve the website. He stated that the new site was up and running. The Website Advisory Committee focused on improving user experience through better navigation, better organization of content, use of improved communication functionalities, current web technologies, and a better more appealing design including the ability to use more visuals and videos

Mayor Yeh presented the plaques to each of the Web Advisory Committee members which said, "In recognition to your dedication and service to the City of Palo Alto's Website Advisory Committee." The Committee Members who received plaques were: Phillip Alexis, Mark Eden, Sherry Furman, Carol Gilbert, Bob Harrington, Laurie Hayman, Jeff Foil, Arthur Keller, Gary Lindgren, Sean Momany, John Raftrey, Joe Villarreal, and Dave Volker.

2. Appointment to the Planning and Transportation Commission for One Unexpired Term Ending on July 31, 2013.

First Round of voting for the Planning and Transportation Commission for one unexpired term ending on July 31, 2013:

MINUTES

Voting For Michael Alcheck: Burt, Espinosa, Klein, Price, Scharff, Shepherd

Voting For Susan Fineberg: Holman, Schmid, Yeh

Voting For Doria Summa:

Voting For Mark Weiss:

Voting For Henry Wong:

Donna Grider, City Clerk, announced that Michael Alcheck with 6 votes was appointed to one unexpired term ending on July 31, 2013.

CITY MANAGER COMMENTS

James Keene, City Manager, reported on two items. In early 2012 the City announced the goal of providing an open data platform, which would make local government more inclusive and transparent. He announced that on August 1, 2012, the first phase of the initiative would go live. The City open data platform would enable City Staff to post valuable data sets online in a highly useable format which would allow residents and programmers to work with the compiled data. Palo Alto was one of the first cities in the United States implementing the open data capability and people interested could visit data.cityofpaloalto.org. He also announced there would be an online survey regarding backflow. State law mandated the City survey 100 percent of its utility customers about their possible need for backflow prevention devices on their water lines. He said that if customers needed a backflow prevention device Utilities Staff would provide information which would assist them in purchasing and testing the devices. He explained that survey letters would go out in batches over the next few months with the goal of all residential account holders being surveyed by the end of 2012.

ORAL COMMUNICATIONS

Lisa Hendrickson spoke regarding the Avenidas Successful Aging Celebration scheduled for Saturday, July 28, 2012. She said that Avenidas' vision was to make Palo Alto one of the best communities in the country in which to grow old. Avenidas worked through a number of programs and activities that helped people age in the community. Avenidas Village recently entered into a partnership with the Palo Alto Medical Foundation (PAMF) to coordinate care and resources for the community's older adults. The Successful Aging Celebration was to showcase that partnership. The event was from 11:00

MINUTES

a.m. to 2:00 p.m. at the campus of PAMF. The event was free and open to the public and more information was available at pamf.org/successfulaging.

Lydia Kou spoke regarding Quakeville which was scheduled for September 22-23, 2012. Quakeville was an annual community mock response event with focus on evacuation and sheltering in the event of a disaster. This year the Quakeville planning team with the cooperation and support of the Red Cross planned to open an indoor Red Cross shelter along with an outdoor citizen's shelter. More information was available on cityofpaloalto.org/ccs.

APPROVAL OF MINUTES

MOTION: Council Member Espinosa moved, seconded by Council Member Price to approve the minutes of April 16, 2012.

MOTION PASSED: 8-0 Scharff absent

CONSENT CALENDAR

MOTION: Council Member Shepherd moved, seconded by Council Member Price to approve Agenda Item Nos. 3-16.

3. Request for Approval of Master Services Agreement Between the City of Palo Alto and Internet Systems Consortium, Inc. for Internet Connectivity Services.
4. Policy and Services Committee Recommendation Regarding Massage Ordinance.
5. Approval of a Contract with Valentine Corporation in The Amount of \$1,947,368.50 for Channing Avenue/Lincoln Avenue Storm Drain Improvements - Phase II, Capital Improvement Program Project SD-11101.
6. Approval of a Contract with O'Grady Paving, Inc. in the Amount of \$2,135,714, for the 2012 Asphalt Paving Project, the 3rd of 6 Contracts in the 2012 Street Maintenance Program Project (CIP PE-86070).
7. Resolution 9275 entitled "Resolution of the Council of the City of Palo Alto Establishing Fiscal Year 2012-13 Secured and Unsecured Property Tax Levy for the City of Palo Alto's General Obligation Bond Indebtedness (Measure N)".

MINUTES

8. Appeal of Director's Architectural Review Approval of Site Improvements Associated with the Conversion of an Existing Building to an 86 Room Hotel with Ground Floor Restaurant and a Design Enhancement Exception (DEE) and Sign Exceptions at 180 Hamilton Avenue (Casa Olga).
9. Selection of Voting Delegate and Alternate for the League of California Cities Annual Conference.
10. Adoption of an Ordinance Approving and Adopting a Plan for Improvements to Cogswell Plaza.
11. Approval of a Record of Land Use Action for the Reconstruction of the Historic Residence at 564 University Avenue.
12. Resolution 9276 entitled "Resolution of the Council of the City of Palo Alto Authorize the City Manager to Purchase Electricity Resource Adequacy Capacity Products for Calendar Year 2013 in an Amount Not to Exceed \$2 Million."
13. Submittal of Mitchell Park Library and Community Center Bi-Monthly Construction Contract Report.
14. Approval of an Agreement with Van Scoyoc Associates Inc. for Up to Three Years in an Amount not to Exceed a Total of \$303,000 for Federal Legislative Representation.
15. Direction to City Clerk to Use the Secretary of States' Randomized Alphabet Drawing for the Order of Candidates' Names on the November 6, 2012 Ballot.
16. Policy and Services Committee Recommendation to Accept the Policy for Administering the Employee Ethics Hotline.

MOTION PASSED: 8-0 Scharff absent

ACTION ITEMS

17. Resolution 9277 entitled "Resolution of the Council of the City of Palo Alto Amending Section 1401 of the Merit System Rules and Regulations to Adopt a New Memorandum of Agreement with Service Employees' International Union Local 521."

MINUTES

Kathy Shen, Human Resources Director, said the Service Employees' International Union (SEIU) represented 580 employees. The City and SEIU bargained over three months and held 14 meetings to reach an agreement on a successor Memorandum of Agreement (MOA). The new contract was in effect for 17 months from July 1, 2012, to December 1, 2013. The agreement contained significant structural concessions in pension and medical provisions resulting in employees paying their full contribution to CalPERS for the pension, a pension salary calculation over three years rather than over a single year, employees paying 10 percent of medical premiums as active employees and as future retirees, and a decrease in the medical waiver cash out amount to the single rate of \$284.00 per month. She stated that employees would also see a reduction of one floating holiday in Fiscal Year 2014 and an elimination of the cash out option for all floating holidays. She said that the SEIU MOA provided \$213,000 in savings annually to the General Fund and overall over a half a million in savings. Included in the calculation was a cost of living adjustment (COLA) of 1.65 percent, which was intended to offset the cost of structural pension contributions by employees.

Council Member Shepherd said that Staff had done an incredible job of partnering with the labor groups. She thanked them for the partnering because this affected real people who were suffering. She stated that she saw it and was not happy about it but understood the City needed to keep its budget representative of how it delivered services.

MOTION: Council Member Shepherd moved, seconded by Council Member Schmid to adopt the Resolution amending Section 1401 of the Merit System Rules and Regulations to adopt a new Memorandum of Agreement (MOA) between the City of Palo Alto and Service Employees' International Union (SEIU), Local 521 effective July 1, 2012 through December 1, 2013.

Mayor Yeh also thanked Staff for the entire process. He said that it highlighted the ability for negotiations to unfold in a constructive time frame. He said that there were many good faith discussions that occurred. Since SEIU was the largest labor group it had a major impact on the City's budget and the City appreciated that the SEIU members ratified the agreement.

Mr. Keene said one particularly positive feature of the negotiations and contract was that they were completed at the beginning of a budget year. He said that Council had raised concerns about the length of recent contract negotiations which resulted in workers out of contract for significant amounts of time. During that time there was no opportunity for the City to realize some of the concessions and cost savings at the start of a budget year. Council had set guiding policies, one in particular was to align

MINUTES

adoption of a new contract at the start of a budget year. He thanked SEIU and Staff for delivering close to the deadline Council established. Staff looked forward to other negotiations proceeding in that way in the future.

Council Member Price said it was a good feeling to have an example of the results of really effective collective bargaining. The SEIU leadership and City Staff had done a very good job at a time when nothing was easy. She said the package included concessions and serious consideration of the implications both for the current City finance and the future. She thought it was very positive to see the results of a balanced discussion and an outcome when both sides had to give some.

MOTION PASSED: 8-0 Scharff absent

18. Resolution 9278 entitled "Resolution of the Council of the City of Palo Alto Implementing Terms for Police Managers' Association Pursuant to Government Code Section 3505."

Marcie Scott, Labor Relations Manager, said Staff recommended to Council to implement terms for the Police Managers' Association (PMA). The Police Captains and Lieutenants, a total of seven full time employees formed a new bargaining unit for Police Managers in October 2009. The City and the PMA began bargaining in January 2010 to develop a Memorandum of Agreement (MOA). That included a period of six months in Fiscal Year 2011 during which the parties did not meet at the bargaining table in order to participate in the City's Labor Management Committee for all labor units. The Labor Management Committee studied escalating medical costs and evaluated alternatives to the City's 90/10 profit sharing plan in which the City paid 90 percent of medical premiums and the employees paid 10 percent. The City and PMA reached written tentative agreement on all but one issue, which prevented the parties from finalizing an initial MOA. She said that the disputed issue was the amount the City contributed toward medical premiums to current employees once they retired and qualified for retiree medical benefits. The City proposed the same retiree medical benefit language that had been agreed to in the labor contracts for SEIU, Firefighters, Fire Chiefs and the unrepresented management professional employees. She explained that future retirees would be provided the same medical contribution for retirees that it made for active employees. The PMA was unwilling to agree to that language. The PMA's proposals provided an option for current employees to receive fully paid medical premiums for employee and dependents once they retired. The City found a fundamental gap existed between the parties' positions that would not be bridged by further discussion given the already lengthy period of time that the parties negotiated. The City declared impasse on May 23, 2012 and the impasse

MINUTES

was not broken. The PMA did not request fact finding pursuant to the new State law as a means to address the impasse. Based on that, she explained that the City could proceed to implement changes to terms and conditions of employment pursuant to Government Code Section 3505. She said that those were changes to specific benefits only; the State law did not allow the City to unilaterally impose a complete MOA. She stated that the PMA members would continue to operate under existing terms and conditions of employment in addition to the new imposed terms which were: 1) a second pension tier of 3 percent at 55 and final salary calculation of three years for new hires only; 2) a medical cost share program where active employees paid 10 percent of medical premiums; 3) the City provided the same medical contribution for future retirees that it provided for active employees; 4) establishment of a retirement health savings plan for employees to set aside money pretax for medical expenses in retirement; 5) the management annual leave accrual converted from a fiscal year to a calendar year; and 6) modification of the vacation cash out procedure consistent with IRS regulations. Staff recommended that Council adopt the Resolution imposing the previously mentioned terms, five of which had the written tentative agreement of the parties. She said that they were being implemented now because they were changes to the status quo the City needed in place as it strived to make similar structural changes to compensation and benefits for all employee groups. The Resolution imposed the same language for cost sharing of medical premiums that was agreed to by SEIU, the Firefighters, the Fire Chiefs, and that was in place for the unrepresented management professional unit. She said that the resulting budgetary savings were minimal, but the changes reduced the City's accrued liability for post-retirement benefits in the future. The City found it inequitable that PMA, the highest salaried unit, would be exempted from cost sharing when others, including the lowest paid unit of employees, would share the cost of medical premiums as well as the future risk of premium increases with the City.

MOTION: Council Member Schmid moved, seconded by Council Member Klein to adopt the Resolution implementing the changes described to certain terms and conditions of employment for employees in the Police Managers' Association.

Council Member Schmid thought it was unfortunate they were not able to come to a complete agreement, especially around items that the other labor groups had agreed on. He supported the Staff in moving ahead.

Council Member Klein agreed with Council Member Schmid. He said that the City met with the PMA many times.

MINUTES

Ms. Scott said she believed the total number of formal meetings was 28 and that there were numerous informal meetings.

Council Member Klein said they had to try to reach agreements on a quicker basis as indicated by Mr. Keene. Even though there was not agreement on the last issue he was glad they were imposing it.

Council Member Shepherd said that the legislation created by Sacramento limited city government. Council addressed that in a Colleague's Memorandum and would be able to discuss it publicly which would be ideal because there was a false assumption that the City could go through all the contracts and tighten them up. She was impressed that the League of California Cities (League) took the issue up to the Sacramento level on the pensions. The City had aligned itself with the League.

Mayor Yeh said that with State legislation in place for public safety units there was a process that was available for a non-binding fact finding. That was an important development and was available in the process. He thought that knowing that process was in place to allow for third party involvement lead him to ultimately support the Motion. It was an important step for all units for equity's sake to have the same concessions in place. While the implementation was never easy or desirable, it was where they currently were with the PMA.

MOTION PASSED: 8-0 Scharff absent

19. Finance Committee Recommendation to Reconfigure the Palo Alto Golf Course, and Staff Recommendation to Negotiate an Amendment to Existing Contract with Golf Course Architect Forest Richardson & Associates to Complete Finance Committee's Recommended Design and Environmental Impact Analysis for up to \$336,835.

Rob De Geus, Recreation and Golf Division Manager, said Staff was transmitting a recommendation from the Finance Committee. The recommendation was that Staff be directed to pursue golf course redesign Option G which added space for up to three full sized athletic fields and reconfigured the entire golf course as part of the mitigation for the San Francisquito Creek realignment project. Secondly Staff asked Council to authorize the City Manager to negotiate an amended contract with golf course architect Forrest Richardson and Associates to complete the design and environmental impact analysis for up to \$336,000. He showed a picture of the golf course in its current configuration and an overlay of the new levy system, which encroached onto the course and impacted several holes. At minimum six to seven holes needed to be reconfigured. The objective was

MINUTES

to deal with flood control, improve the natural habitat, find recreational opportunities, and improve the golf course. The last time the item was before Council was in December 2011 when they had a study session on the golf course. Since that time there were numerous community meetings with the Parks and Recreation Commission Golf Advisory Committee. Staff went to the Finance Committee in March 2012 for its review and opinion. He discussed several reconfiguration options. Option A was the most minimal reconfiguration, Option D enhanced the golf course fairly significantly at a low cost, Option F added one playing field, and Option G, which was the Finance Committee's preferred option, reconfigured the entire golf course and added 10.5 acres which allowed for up to three playing fields. The Finance Committee's recommendation was for Option G because the opportunity to gain 10.5 acres was unique in a built out city. Option G was the most environmentally sensitive design with a complete baylands themed experience. The financial analysis by the National Golf Foundation (NGF) suggested that Option G would outperform the other designs over time. Option G also replaced the entire irrigation system, which was currently in a state of disrepair.

Forrest Richardson, Forrest Richardson and Associates said the two part process was the San Francisquito Creek realignment, which was the part of the contract that was handled by the JPA and then the City undertook a parallel effort to look at long range planning for the golf course. At the December 2011 study session the Council had Options A, D, and F, and requested that they look at expanding the area of the athletic fields which led to Option G. They met with the Finance Committee who provided additional direction on the base plan of Option G. They had evaluated conditions, safety, irrigation, and arbor assets. He explained there were chronic irrigation problems as the system was approaching 12 years of age in a very high salt soil condition. Other problems were irrigation coverage, a growing animal problem, several arbor issues including trees that were not appropriate or in declining health, and a lack of interest in the course itself. He said that practice areas could bring golfers to the recreation amenity. The course currently offered too few views of the bay despite being on the edge of it. There were wetlands on the property that needed to be preserved and expanded. A public forum was conducted at the end of 2011 and the golfers shared their views. He said Option A was the baseline option where they reconfigured approximately six holes. It had the lowest area of impact and the lowest cost. Option D realigned about eight and a half holes and had a nominal area of impact. It failed to address all of the irrigation replacement and left approximately \$900,000 that would need to be addressed at a future date. Option F included one athletic field and reconfigured a significant portion of the course. Council requested the team review expanding the athletic field which led to Option G. They concluded

MINUTES

that approximately 10 acres could be used for athletic fields and recreation apart from golf. Option G reconfigured roughly 15 holes. He showed how the costs compared between the options. Option A was approximately \$3.5 million, Option D was \$4.1 million, Option F was \$5.8 million, and then Option G was just over \$7 million. The Finance Committee made a series of comments and directions, one of which was rebuilding all of the golf holes so that they would all be new and equal. It was also suggested that the practice greens should be built along with the new greens. There was a small area of turf that could have been preserved in Option G and they were asked to explore replacing all of the turf so it all was self-tolerant grass of the same variety. He stated the last thing was to replace the on course restroom building which was in disrepair and move it to its new location. He said that lead to the refined plan for Option G, which was a design developed plan that took into account the Finance Committee directions. He said Option G reduced turf by roughly 43 acres, the net acreage of the golf course would be just about 90 acres in managed turf whereas the golf course was currently somewhere over 135 acres. The probable cost for Option G was \$7.5 million. He said that in the northwest corner of the property they would create a very large baylands wetlands habitat with an island green. The eighteenth hole had a new clubhouse. He showed the objectives for the facilities. The most pressing objective was to make the facilities inviting to non-golfers and bring other members of the community into the golf facility to generate more revenue. He discussed the site of the clubhouse and said they looked at improving the entry, the signage, enhancing the parking, integrating landscape, improving customer arrival, allowing vehicles to exit onto Embarcadero to avoid congestion at the main entrance, integrating trails to the golf course to encourage the public to come in along Embarcadero. They looked at the heritage of the clubhouse and said that the clubhouse had previously been featured in the NGF's book "Great Clubhouses." He reviewed the long range conceptual plan for the clubhouse and its outdoor additions. It had expanded areas and a new façade and surfaces. The cart storage facility and the range performance center would have the state of the art video and digital facilities.

Mr. De Geus said the NGF did a significant report on the different options. He thought that was very helpful in considering what the right path was. Regarding Option G they assumed in their 10 year pro formas that rounds would rebound from 68,000 rounds annually to 76,000 rounds. They assumed that the terms of the cost of the contracts for maintenance and management would remain relatively the same, with a slight increase in maintenance and that there was a new 20 year debt of \$4.5 million at 4.5 percent. The Finance Committee recommended Option G. Staff asked the NGF to re-examine the numbers with some sensitivity analysis. They asked what it would look like if the rounds did not rebound and if the market did

MINUTES

not allow for the increased fees. They also asked about the worst case scenario which was that the rounds did not come back and they could not increase fees. He said that if there were lower rounds than expected they would see several years where the golf course lost money. Lower fees had an impact as well, but lower rounds and fees, which was the worst case scenario, showed that the golf course was unable to cover costs through 2019. It was important to recognize that was not the expectation, but it was a risk. Option G was the most ambitious plan, so it was important to understand the risk. The Parks and Recreation Commission (PARC) essentially agreed with the Finance Committee. They were a bit tempered on a few things and thought more study was needed regarding the athletic field. He said they did significant work over the last ten years of brokering the field space more efficiently. They added synthetic turf and lights to some fields. The PARC felt that the clubhouse improvements needed to happen in order to realize the full potential of the golf course. The Golf Advisory Committee preferred Option D because it was less risky. They were concerned that Option G placed too great a burden on the golfers to pay the additional debt. The Golf Advisory Committee was also a little skeptical about the NGF forecasts and about closing the course for a full year for construction.

Council Member Shepherd said the Finance Committee felt that the City wanted a "wow" factor golf course by setting aside land for playing fields, and by moving forward on the floodplain reconfiguration. Some alternate items were incorporated into the refurbishment of Option G. One that could easily be seen was updating the irrigation system.

Council Member Espinosa asked Staff to address the issue of possible noise coming from the playing fields. The design tried to create a separation, but he heard from golfers that the sounds from spectators and referees with their whistles would have a significant impact on the golf experience.

Mr. De Geus said that concern was raised at a community meeting by the golfers. They were concerned about the noise and indicated that it was not compatible. There was quite a distance between the playing fields and the holes.

Mr. Richardson said in the design development of Option G they moved the 10th fairway over as far as they were comfortable with. It was about 200 feet on the length of the hole. The 11th tees were the closest, depending on where golfers played the 11th hole. He thought they still had the potential to bring soil in from Stanford and so the area between the athletic fields could be raised and bermed when the athletic fields were developed. He said that

MINUTES

if the soil was not available currently, it could be a future potential sound mitigation.

Council Member Espinosa asked them to address the issue of staffing in Option G.

Mr. De Geus said that there was very little City Staff involved in the golf course since the City outsourced that maintenance. He said it was less than half of a full time employee, and that would stay the same.

Greg Betts, Community Services Director, said it was also helpful to repeat what Mr. Richardson said about the reduction of managed turf from 135 acres to 90 acres. That would not only result in a reduction of water use, but also a reduction of fertilizers, pest controls, and staffing time.

Council Member Espinosa asked about the photos that showed the before and after. The first time he looked at them there seemed to be a greater focus on hills and creating natural habitats. He said that it may just be the shots that were included but he wanted to make sure that was discussed. He asked if any concerns had come up about what could really be done in terms of creating the ideal golf landscape from the flat homogenic approach there was currently.

Mr. Richardson said they would attain change in all the Options aside by lowering areas to form wetlands and using that material to create elevation changes elsewhere. He thought the elevation changes could vary from +/- 5 feet over the old course to +/- 15 feet.

Council Member Burt asked if the new stress analysis assumed certain changes in both economic conditions more broadly as well as changes in golf patterns and play. He asked if there were factors that went into what would drive the lower numbers of rounds and green fees.

Mr. De Geus said Staff asked the NGF about Option G and pushed them to look at a "what if" scenario because weather and the economy were uncontrollable.

Council Member Burt asked if the stressors they placed on Option G would apply to the existing golf course.

Mr. De Geus said they would. He noted they did not do sensitivity or stress analysis on the other three options, and that would also have an impact on them.

MINUTES

Council Member Burt was concerned that they had looked at Option G in isolation. He thought it was a legitimate exercise, but wanted it in context.

Ed Getherall, National Golf Foundation said they had not done the sensitivity analysis on the other three options. Many of the factors that could cause stress on Option G would also apply to the other options. What they did under the reduced round scenario was have the rounds come down to lower than the projected Fiscal Year 2012, which was a very significant drop. What they had as the expected base case stabilized rounds at 12,000 fewer rounds and then they reduced fees by reducing the projected growth rate. He said that when they discussed the average fees increasing by 15 percent that was not every single fee. One of the things Mr. Richardson had discussed was making it the type of golf course where there could be segregation in the fees between resident and nonresidents. He said that Palo Alto's immediate competitive set was not spectacular, the green fees were tightly grouped, and there was no one facility that really stood out. The average green fee would raise 15 percent, but not every fee would go up. Junior resident fees would not increase at the same rate as the fees for a nonresident playing on a Saturday morning. He said the number one reason that people said they did not play golf more frequently at the Palo Alto golf course was a lack of interest in the course itself. He thought Option G addressed that to the biggest extreme.

Council Member Burt said it sounded like that was included in the pro forma. He thought he saw in the Staff report that there was reference to an approval for certain amounts from the San Francisquito Creek Joint Powers Authority (JPA) contribution. He wanted to make sure that everyone knew that had not been put through a final vote at the JPA. The other related issue was that two months prior JPA had a presentation from UC Berkeley that offered a scenario where there was gated tidal flow into the course area and created actual tidal wetlands within the course. He said they were interested in exploring using the configuration in Option G but with the possibility that some of the native vegetation area in the vicinity of holes 12-15 would potentially be gated tidal wetlands. Connected with that was the possibility of three perspective grant sources, which would reduce the City's cost and enhance the environmental impact. If the opportunity occurred in the coming months, Option G could be allowed for some of those marsh areas to be tidal flow wetlands.

Mr. De Geus said that Staff had seen a few of the ideas that the students had come up with. It seemed that Option G was most consistent with an idea like that.

MINUTES

Mr. Richardson said his environmental consultant would be very happy with that because the difference between stagnant saline wetlands and a tidal change wetland were dramatic. He said they could work with the JPA to figure out how handle it. He said that much depended on the engineering of the San Francisquito Creek itself.

Council Member Burt confirmed Option G completely redid the irrigation and all of the greens.

Mr. De Geus said that was correct.

Council Member Burt asked if they were able to establish any economic value to that.

Mr. De Geus felt that within the next five to seven years it was likely they would have to replace the entire irrigation system if they did not do so now. He said that it failed frequently. The NGF's pro forma added the capital improvement later for Options A, D, and F. That was partly why Option G fared better.

Council Member Klein was excited about the playing field options because several years prior the Council was told it was not feasible. He thought it was appropriate to call them playing fields because they were not necessarily soccer fields. He asked how they planned to get rid of the geese.

Mr. Richardson said there were a number of low and high tech ways. The geese were attracted to the grass turf habitat, which was not their natural habitat. Reducing the grass turf from 135 acres to 90 acres helped that. Some of the other measures were to eliminate standing water and fresh water. They also recommended trained dogs to move the geese north.

Council Member Klein said there were still 90 acres that the geese were interested in.

Mr. Richardson said they were successful at other courses and he had given Staff a number of people to contact. He thought they had already made progress over the last year.

Council Member Klein was pleased to hear that. He asked why the noise from the playing fields would be different from cheers for golf tournaments.

Mr. De Geus said that the cheers at golf tournaments were after players had hit the ball.

MINUTES

Council Member Klein said it was after the players on the 18th hole hit the ball, not the rest of the players on the course.

Mr. De Geus said that was true. He thought opinions varied on the noise and said the neighboring airport also made noise.

Council Member Klein said that Staff stated that the pursuit of Option G required debt financing. He thought that was likely but asked if they might find other ways to handle the funds. He asked where the money would come from to finance the deficit during the year the course was under construction.

Mr. De Geus said Staff should look far and wide to see how they could fund the project without going into debt. That was their intention.

Joe Saccio, Administrative Services, Assistant Director, said that regarding the years where there was a deficit, they understood that there would be reduced revenue in 2013 and 2014, so that would be covered by a loan from the General Fund. He thought the department would make every effort to reduce costs as much as possible during those years. That was included in the pro formas. What was not included in the pro formas was a payback for those years, but under Option G there seemed to be adequate revenues and net surpluses in the future to be able to pay that back. Mr. De Geus had discussions with the JPA about the \$3.1 million and the loss of revenue during that time and had asked if the City should be made whole for that. He understood there was an ongoing conversation about that. If that was not the case, the City needed to cover the expenses. If Community Services had any additional cost reductions they could use those or the General Fund Budget Stabilization or Infrastructure Reserve would have to be used. With respect to borrowing money they had used Certificates of Participation (COP) in 1998 totaling \$7 million to pay for the improvements. It seemed reasonable to use the debt service and that was included in the pro formas. Otherwise they would have to use the Infrastructure Reserve at that time. There was a larger question, and it was raised tangentially, which was to consider the golf course as part of the overall infrastructure program and rehabilitation that the City wanted to do. He did not know if that was part of what the Council had envisioned as far.

Council Member Schmid said in other discussions there were uncertainties about what was included in irrigation. He asked if different assumptions about exactly what would be done and a timeline was included in the packet.

MINUTES

Mr. Richardson said Option G showed the Finance Committee's recommendation. That included the full irrigation replacement, full turf replacement, and replacement of the restroom building.

Council Member Schmid asked what Option D included.

Mr. Richardson said Option D did not include the full irrigation. The amount of deferred irrigation replacement was approximately \$800,000.

Council Member Schmid confirmed that cost would come after five years.

Mr. Richardson corrected himself and said the cost was \$740,000. He said that the system was failing and would continue to fail until it was replaced.

Council Member Schmid said at the bottom of the page there was another set of numbers ranging from \$2.5-3 million for things such as modified fairways and dirt. He asked how those differed from what was shown in Option G.

Mr. Richardson said rebuilding the additional greens, the restroom, the re-sodding of the fairways, and the rebuilding of the existing putting green were all included. They only included the sand plating because it was mentioned early last year. By re-harvesting the material that was put there in the 1990's they did not feel that sand plating was needed, especially when going from 135 to 90 acres.

Council Member Schmid said the other discussion that came from the Parks and Recreation Commission was about the clubhouse. They said it was essential. He asked if those numbers were included or if that was additional.

Mr. De Geus said that was not included. Staff considered that under long term long range planning.

Council Member Schmid inquired about the financial scale of that project.

Mr. Richardson said there were direct construction costs that were based on the conceptual plans created for the clubhouse, the cart storage building, the range performance center, the parking, the entryway, the lighting of the parking lot, and all of those options.

Council Member Schmid confirmed it was \$3-3.5 million. He said that under the packet page 989 there were "cost and value added" but there was no number under flood protection. He assumed that was an important number if the goal was to remove houses from flood insurance areas. He said that

MINUTES

could be calculated and if the reconfiguration contributed to 50 percent of the removal it would gain a certain amount of money.

Mr. De Geus said that Council Member Schmid was talking about the table that began on page 11 of the Staff report. He said that it was a work in progress and that Council Member Schmid was right, the value number for flood protection was unknown. They had talked to the JPA about that and they recognized that there was a great value there. How much of a value was difficult to ascertain.

Council Member Schmid said that homeowners knew what they paid in flood insurance and the City knew how many homes were in the flood zone. It was a large and important number. If that could be used as a benefit he thought it was helpful. He was concerned with the financial risk. He asked what the annual cost was and if the \$4.5 million was financed over 10 or 15 years.

Mr. Getherall said they assumed 20 years at 4.5 percent based on input from the City.

Council Member Schmid asked if 20 years was reasonable and safe given that the City was still paying off the 1998 bond.

Mr. Getherall said they projected positive net income even after all debt payments including the old debt payment and a ten percent capital reserve. The facility even in its current condition had been historically profitable. It had netted over \$1 million in its best years. That was also when the cost plan charges were higher. They were over \$300,000. That figure was reduced considerably when the City privatized the maintenance. Those charges were around \$50,000 currently. Even though the rounds had decreased as recently as fiscal year 2010 the golf course was close to \$1 million in net operating income before cost plan charges. They projected that all of the debt service and below the line charges were covered in addition to the operating expenses.

Mr. Saccio said one of the most important things was the irrigation system and the saline conditions. He was around during the 1998 improvements and thought there was a measure of disappointment in the irrigation system as it had not lasted as long as anticipated. That was an early concern that he and Mr. Perez had expressed to Community Services Staff. The technology at the time was unable to withstand the moving conditions underneath the earth. They talked with Staff about the new materials and irrigation system and how it had to last 20 years. He said that the old debt would be paid off by 2019 and was included in the pro formas. He said that

MINUTES

if the decision of the Council was to move forward with the golf course it was probably better to do it right. Therefore Option G made sense.

Council Member Schmid voiced concerns about children crossing the highway to get to the playing fields during commute hour. He thought that on the baseball field it was essentially only 13-14 year olds that went out there. He stressed that it was important to make sure that the more intensely used fields which were the neighborhood fields were taken care of. He did not want to be in a situation where they were drawing on Community Services or the Infrastructure Fund to pay for the golf course bonds and had problems paying for neighborhood fields like Cubberley. He asked if Staff had taken that into consideration.

Mr. De Geus said Staff shared Council Member Schmid's concern. .

Mr. Betts said under the field allocation policy they strived to put the right group on the right field. There were different categorizations of fields based on how close they were to parking facilities, bathrooms, lighting, public transit, and other factors. There was a great potential for adjusting some of play the City currently had on Greer and moving some of the more adult groups to the baylands. Staff was in line with Council Member Schmid's thinking and wanted to avoid causing problems in neighborhoods whether that was traffic or encouraging kids to ride their bikes to places that were not safe.

Council Member Schmid said that many of the fields smaller children used were not City land, they were rented space. He said that the City's ability to maintain the rental spaces was critical.

Council Member Holman said other than at a tournament golf courses were typically very quiet. She said that 200 feet was not very far and the question of how the sound might be mitigated still lingered. She was not sure if a berm would mitigate it. She asked if they had other information.

Mr. De Geus said it was a good question, but that they had not designed the area yet. Mr. Richardson had laid out how some playing fields might look, but they really needed another architect to come in and design the park. There was a significant amount of thought that needed to go into what the 10.5 acres would be, whether that was three playing fields or something else.

Council Member Holman asked if the playing fields would be lighted.

MINUTES

Mr. De Geus said more conversation needed to happen for that decision to be made, but his initial reaction was that they would get more play out of lighted fields. There was lighting at the driving range which was already on in the evenings.

Council Member Holman said synthetic turf was popular, but noted it broke down. She said that they were below sea level and asked if synthetic turf would affect the baylands.

Mr. De Geus said the geese would not like the synthetic turf. He said they needed to spend more time looking at that and how to design it in such a way that it was safe and environmentally friendly. There were definitely environmental advantages to synthetic turf because there were no pesticides used, no irrigation, and no water use. However it was synthetic material that had to be disposed of at some point.

Council Member Holman said that even though synthetic turf broke down it did not go away. She understood it was a permanent residual. She discussed the level of service at East Bayshore and Embarcadero. She asked if the City added playing fields if it would further congest the area or if they would be used during off peak hours that would not have a negative impact on the intersection.

Mr. De Geus said they had not looked at that closely. The playing fields would be used mostly during the after work and school hours and on weekends. That was when they saw the most impact on the other fields. That also spoke to the noise issue because he thought there would be much of the time during the day when there would be no noise from the playing fields.

Council Member Holman said during the summer golfers would play until 9:00 p.m. She asked if there was any opportunity to build Option G in phases. For instance, she asked if holes 6, 7, 8, 9, 1, 16, 10, 17 and 18 be phased so the golf course was not completely shut down during the construction.

Mr. De Geus said they discussed phasing in detail. Option G was more intensive and so much needed to occur across the whole space that they believed getting in and out quickly was the preferred option. Phasing would cause a number of challenges and the playing experience on the nine holes that remained open would not be ideal.

Mr. Richardson said that they were asked by the NGF to provide phasing possibilities and options and he believed that all of them were costly and

MINUTES

increased the amount of time that the golf course would be under a temporary condition. He believed the NGF concluded that was more detrimental overall than a 12 month construction cycle where they could had agreements with other area courses to have residents play there.

Mr. Getherall agreed and thought it was best done all at once. Phasing the project opened many variables that could be detrimental. With the large scale Option G the best plan was to close the course down and finish it.

Council Member Holman asked if Staff considered breaking out the costs so that the golf community was not subject to funding the whole program. She said that it was the most expensive program by far.

Mr. De Geus asked Council Member Holman to define break out costs.

Council Member Holman said that Option G was the most expensive iteration and fees were based on cost recovery as well as a number of other factors. In that way the golf community picked up the load for the configuration, which also supported playing fields.

Mr. De Geus said that was correct and that the way the pro formas were defined there was fairly substantial net income at the end of the plan being built. They could consider not increasing the fees quite as much and accept a lower net income and that would have a positive effect for the golfing community.

Council Member Holman said that Council Member Klein asked questions about how the City addressed the funding for the program. She asked what would happen if whatever the incremental cost was between Options D and G was added to the City's infrastructure load as opposed to the golf course.

Mr. De Geus said that was a good question, but the way they had looked at it was that the golfers would pay the debt for the improvements. There were alternatives such as the golfers paying half the debt with the rest coming from some other fund.

Mr. Saccio said the way he interpreted Council Member Holman's question was regarding the incremental cost or the portion of the \$7 million project that was attributable to setting aside the fields and how that part should be funded so that the golfers were not paying for that. He believed the golfers were concerned about that as well. He said that he did not have the details of the cost.

MINUTES

Council Member Holman said that was basically her question. She said that there was a line item for Stanford fill with a cost of \$325,000. She asked if that was really a cost to the City because she thought Stanford was paying them to take the soil.

Mr. Richardson said that when they prepared the options they showed the cost to relocate the soil once it was delivered to the site. They never received an answer on how much the contractor was willing to compensate the City to take the soil, even though there were several meetings. Absent that information it was hard to put the equation together of whether it would be a net income to the City or a cost. They concluded through a study done by the construction management consultant that there was a \$5-6 per yard savings to Stanford's contractor to the City to get the soil. Under that scenario there was a \$2-3 cost per yard to move it and \$5-6 per yard of income to receive it, but they could not state that because they did not receive the \$5-6 number from the Stanford contractor. What they had said when the question came up at the Finance Committee was that if they brought in soil it would be a wash in the worst case scenario and at best case a \$2-3 per yard revenue. It was not a question that could be answered until the City received an accurate number from Stanford.

Council Member Price asked if the probable costs in the California Environmental Quality Act (CEQA) review had included the full cost of that recovery. She saw "additional environmental consulting" and believed it said \$40,000 for Option G. She asked if they fully reflected the anticipated cost of the environmental review.

Mr. Richardson said they had. The number was sought from the environmental consultant who had been to the site and was for the golf course reconfiguration, not the San Francisquito Creek work which was separate. The parking, clubhouse, and entryway were not part of the base plan for Option G.

Council Member Price said on the topic of lighting they could gain information from Twin Creeks in Sunnyvale in terms of their lighting standards and how they dealt with that on their fields. She asked if they had happened upon any burrowing owls. She knew that was an issue and then they would have to develop a habitat.

Mr. De Geus said no.

Council Member Price hoped they did not find burrowing owls because that was an issue at Twin Creeks.

MINUTES

Mayor Yeh had questions about the pro forma. He said he was looking at the sensitivity analysis on packet page 1076. He thought he heard that the existing debt was going to be refinanced as part of a new issuance.

Mr. Getherall said that was the assumption they made for 20 years at 4.5 percent. The sensitivity analysis was nothing below the line, nothing changed; it was all operating, so they changed operating issues like rounds played and average fees. He said that nothing below the line changed in terms of the sensitivity analysis the debt was all the same.

Mayor Yeh said it looked as though the existing debt service payments would continue until 2019.

Mr. Saccio thought they would pay off the 1998 debt by 2019 and then would issue new debt just before the construction of the golf course. The old one would go away and the new debt was amortized over 20 years.

Mr. Getherall said the debt service fell off in 2019 and the additional debt picked up in fiscal year 2015.

Mayor Yeh did not know the interest rate on the existing debt and asked if it made sense to refinance it.

Mr. Saccio said Staff could look at that. They had not looked at it recently because they usually received warnings about the wisdom of refinancing. He said that they only had approximately five years left of debt service at that point so it might be appropriate to pay it. They could ask for the analysis on it and see what the net present value savings would be by refinancing. However, that was not the current plan.

Mayor Yeh was interested because in the event there were reduced rounds or lower fees then the backstop for paying debt service, existing or new, would have impacts on the General Fund. Because of the timing of it, 2015 was right after a potential infrastructure bond measure. Any impacts to the General Fund had to be taken into context of some potential vote that might occur in 2014. He wanted people to understand how the timing and prioritization of projects that had potential General Fund impacts was understood and communicated. He asked if Staff had any perspective on the timing of the bond issuance and how it related to the broader discussions on infrastructure needs and financing.

Mr. Saccio said there were considerations that the Council needed to take into account as it looked at a measure to fund the other infrastructure. In one sense one could say that any debt issued for the golf course was being

MINUTES

paid by the users of the course. That was an isolated example. They were also not burdening the other residents or businesses in the City. On the other hand people might say that if the City could pay for that improvement out of the revenue streams of the golf course, were there other ways that Council could pay for infrastructure improvements. It could be seen from two different positions. He thought that would be part of the conversation as the Council considered what to do in November 2014. He said they could look at refinancing to lower the debt service on an annual basis, but then there would be costs further down that would not have been borne if it was paid off. He said that Mayor Yeh's question was a good one that probably needed further discussion.

Mayor Yeh understood that was not the decision Council had to make that evening, but it was part of the analysis of the continuing process. With respect to his colleague's points about the golfers assuming all of the costs, he assumed there would be rental fees associated with the use of the playing fields. He said the City had that on some of its other playing fields. He asked if there was any consideration for some of those funds to go toward the bond. Ultimately any bond financing would reconfigure the entire site, which included the area for potential playing fields. If there was income associated with the playing fields and the bond financing went to reconfiguration, then from a project perspective he saw some nexus between the income coming from the playing fields and other sources.

Mr. Saccio said the income from the playing field was mentioned in the report, but he thought it was appropriate to look at that revenue at the time improvements were made to the playing fields because there was a significant amount of capital costs and operating costs associated with bringing those fields up to playing conditions. That revenue was mentioned, but was not part of the pro formas. There was one piece in the pro formas that was mentioned in the staff report. There was a \$233,000 sinking fund that the consultant included in the pro forma and the idea was that they were accumulating money to make improvements in the future. If in the early years it was necessary to relieve some of the expense for the golf course that fund might be able to be pushed to the future a bit to relieve pressure from the General Fund.

Mayor Yeh confirmed that was the operating capital reserve line.

Mr. Saccio answered yes and said it was escalated into the future.

Mr. Getherall said it was 10 percent of the green fees. He said he read the Economic Research and Associates Report and it was extremely unusual for a golf course to make as much money for a city's General Fund as the Palo

MINUTES

Alto course had. It contributed greatly to other City services over the years. He said that was public policy, but it was another way to look at it. It was one of the highest cash flowing municipal facilities in the country.

James Keene, City Manager, clarified that the City would need to look at the alternatives much more specifically as they moved forward. He thought that they would be thinking similarly to a revenue bond. They would have done the analysis about the increased revenues generated by the improved play and the effectiveness of the golf course to help fund the debt service. He thought the ultimate test would be if the public had confidence in the City's overall financial management. Part of the appeal of Option G was the fact that it made the golf course more popular and revenue generating. With respect to revenues from the playing fields, he noted that they did not have expenditure dollars in the pro forma related to the development of the playing fields themselves. It had not been a situation where the golf course had spun off money to the General Fund. They developed a methodology where the golf course was designed to cover all of the costs associated with the golf operation including the direct operational costs, the capital costs, the debt service costs, and the overhead spread from the General Fund associated with the golf course. That was really a charge that was the full carrying cost for the golf course. The comment was correct in that the City had a much more aggressive program in capturing all of the potential costs related to the golf course through the Golf Fund itself.

Mayor Yeh knew that there were Council Members that wished to speak again. He said that would happen following the public comment.

Jeff Seqol, Golf Course Advisory Committee Member, said he prepared the letter that the other members of the Golf Course Advisory Committee signed expressing their consensus opinion that they had concerns about Option G and were in favor of Option D. He took the cost of Option D and the cost of Option G and tried to aggregate which of the additional Option G costs were attributable solely to the additional encroachment that occurred on the golf course in order to create the 10 acre athletic field site. Fixing the irrigation system and doing drainage work was something that clearly needed to be done fairly soon on the golf course, but the other costs only had to be done in order to create the athletic field site. The difference between Option D and Option G was about \$3 million. Of that \$3 million, he estimated that \$1 million were things that would have to be done in any case and \$2 million were attributable to the encroachment required for creating the athletic field site. The second point he wanted to make had to do with the issue of the risk the City was taking on in doing the expanded project and financing it. That came down to whether or not the NGF's pro forma was correct. A

MINUTES

number of the Golf Course Advisory Committee Members looked at the pro forma and were concerned about it.

Craig Allen, Palo Alto Golf Club President, said he had been a resident of Palo Alto since 1969. The Palo Alto Golf Club consisted of over 350 golfers, both men and woman, who played the course and were very interested in the upcoming decision on the changes proposed for the course. The Club's Board of Directors voted in favor of Option D for the course primarily out of concern for the financial risks involved. If the Council chose Option G he asked them to look at the disproportionate share of the revenue costs which would rest on the golfers. He thought it was inappropriate to ask the golfers to pay for athletic fields and the Council needed to find another way to do that. Second, he asked that Council ensure the project was completed in a timely manner because a closed golf course did not generate revenue.

MOTION: Council Member Burt moved, seconded by Council Member Price to direct Staff to: 1) pursue Golf Course redesign Option G, which adds space for up to three full-size athletic fields and re-configures the entire Golf Course for the Palo Alto Municipal Golf Course to mitigate impacts from the San Francisquito Creek realignment project, and; 2) authorize the City Manager to negotiate an amended contract with Golf Course Architect Forrest Richardson & Associates to complete said design and environmental impact analysis for up to \$336,835.00 (in order to pursue the final designs for the Golf Course).

Council Member Burt said this was a great opportunity and that all change had uncertainties associated with it. When they looked at the analysis and the credibility of the NGF they said that Option G was a very sound alternative that would significantly increase revenue over the other alternatives. The revenue was not a tax on golfers. He said that they had heard that built into the proposal was the prerogative to have subsidies for resident players and resident seniors. He said that the overwhelming majority of rounds on the golf course were not paid by residents. So if the market based payment was paid by nonresidents then they were the ones who would pay for the changes. It was the market that would use the project as was said by the two consultants. He said that they had five "wins" on the horizon. Not only did the City receive the critical flood protection that they were partnering with the JPA on, they had also heard that the course would be very exciting, it had the strongest economic model and the independent consultant has said that this was the best return, the lands had the opportunity for needed playing fields for the community's current needs and for the growth they had on the horizon. The fifth one was the environmental win. The current course was a long, flat, turf course. It would be turned into an exciting course that had natural habitat and would

MINUTES

be integrated with the baylands. He thought it was a great opportunity and he looked forward to it. He counted on Staff to continue with sound and prudent forecasting and financial controls on the project and that it was actually something that the independent analysis showed as a good investment for the City.

Council Member Price said the project was long overdue and met several of the City's goals related to the Comprehensive Plan. There was significant deliberation about the needs to redesign the golf course and address the long term irrigation issues. She thought Option G was thoughtful and well designed. It promoted issues related to improvements in operations and the playing experience for the golfers. She said that Palo Alto was one of the few cities that had a golf course within its boundaries and they were very fortunate with that. They had a responsibility to take care of and improve it. She was comfortable with the financial analysis and assumed based on the conversation that the City would seek other partners and potential funding. She looked forward to the project, thought it was very exciting, and thanked everyone involved.

Vice Mayor Scharff said that when the project came to the Finance Committee he thought there would be many tradeoffs deciding between options. Option G really stood out and there really were not any negatives. He said it was a win for the community to get the three playing fields. Land was very hard to find in Palo Alto. He said that the fact that they could do the project and end up with a fantastic golf course that would stand out among its competition was fabulous. He thought the program was fantastic for the community and was great for everyone. He was very pleased with the direction the project went and thanked everyone for their hard work.

Council Member Holman asked when the Council would be able to look at the environmental analysis and funding options. She said that they were not making a decision on funding that evening.

Mr. De Geus said the timeline was defined by the JPA and when they were ready to do the levy work. The soonest they would be able to move dirt and work on the levy was likely to be summer 2013. Staff wanted to move aggressively with Mr. Richardson in an effort continue the design and environmental work. This would begin the process of Council, architectural review, and planning in the fall.

Council Member Holman said she did not like COP Bonds. She confirmed that when they returned to Council Staff would bring a scenario of different financial kinds of means.

MINUTES

Mr. De Geus said yes.

Council Member Holman thought Mr. Richardson had done a very good job. She was the Parks and Recreation Liaison when the project first came to them and there was significant excitement there. She was disappointed when it came forward the first time that the building component was not included. She said that it was a shame that they lost the original A. Quincy Jones designs. The buildings were fabulous and she was pleased to see that there was the potential for that design to return to its original location. She was more comfortable with Option D because of the financial components, but she recognized the opportunities with Option G. She wanted to see the funding options and scenarios and have the environmental impacts for the noise and lighting.

Mayor Yeh said he would support the Motion but had similar sentiments as Council Member Holman. He said that while they were not in the same office, he had worked at the same firm as Mr. Seqol and he respected and appreciated the analysis he provided. Part of the issue for him was on the pro forma there was a potential for projected deficit if there were reduced rounds. That was his greater concern. He wanted to anticipate the rebound in the interest in golf and having a great course. If that did not occur, those funds would come from the General Fund prior to 2014 and he wanted to be sure that the Council was as confident as possible that they did not find themselves in that situation. He said that was not a good situation for the City. That was enough to raise concerns and see how they could do their best to ensure that they do not get into the situation where the General Fund would subsidize golf operations. He was very excited by the fields and the opportunity to put more recreation activities in that part of the City, but within the challenging financial context he thought the earlier the Council had the opportunity to discuss the revenue options the better served and positioned they would be to decide how to move forward with the financing.

Council Member Schmid was concerned when he heard the statement that the Community Services budget could absorb some of the cost. He asked if Staff was comfortable accepting Mr. Seqol's numbers and that \$2.1 million was directly attributable to the difference of Option G over Option D.

Mr. De Geus said that he had not had the opportunity to look closely at the numbers.

Council Member Schmid said it would be helpful for Staff to do that. He understood that there would still be the need to pay for the fields. He clarified that somewhere in the 2014 budget the City would have to find the funds for the field.

MINUTES

Mr. De Geus said that was correct and that they would also have to fund the ongoing maintenance.

Mr. Betts said that they would look at the potential of using park development impact fees because it would expand recreational opportunities at the golf course.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER that this Fall the Finance Committee will assess the risk and assumptions inherent in Option G and funding options prior to proceeding with the project.

Mr. Keene said he did not want to commit to the fall, but there was no way the Council could implement the direction without the risk analysis and further information.

Council Member Burt said he hoped it went to the Finance Committee in the fall.

Council Member Klein said not doing anything was a greater risk. They had an opportunity to create 10 acres of land for \$4 million. He said that if the City tried to purchase 10 acres of land in the residential areas the cost would be between \$5-10 million per acre, so that would be \$50-100 million. He thought that was a great deal. The City had a deteriorating golf course. The rounds had decreased and they had reports that people regarded the course as boring. The entire golf industry was suffering, but it seemed to him that it was like many other businesses and if they did not invest in the business it would become a wasting asset. He said that whether they did any of the options, the City was still on the hook for subsidizing any deficits with the General Fund. There were risks moving forward on Option G and they might not cover all the operating expenses, but the same risks existed currently with regard to an old obsolete golf course. He thought the risks were outweighed by the idea that they could create something that was a great community asset. The financing was yet to be determined, but he thought COP Bonds made sense and noted that almost every city in the State used them. He did not see any problem with having that included in the green fees for the use of the golf course due to the significant proportion of people who were not residents of Palo Alto. There were two items that golf course users got from the City but did not pay for. The first was the use of a very sizable portion of land and second was that COP Bonds were a way to finance things and were equivalent to revenue bonds. Even though the City was not legally obligated to pay the COP Bonds from the General Fund if they ever had a problem they probably would to maintain the City's credit

MINUTES

rating. The point was that the golf course users were in effect benefiting from the City of Palo Alto's AAA credit rating. When those things were added together it was fair for the City to move forward in the way Staff suggested and he was very pleased to vote in favor of the Motion.

Mr. De Geus asked what was required of Staff by the Finance Committee. He thought they had clearly defined the risks of Option G in the Staff report.

Council Member Burt said it was an update as Staff narrowed its understanding of the costs, funding options, and grant availability.

Council Member Schmid thought one of the things Staff needed to bring to the Finance Committee included the funding options available and the sensitivity analysis regarding rounds of golf. He thought the point was made that they were in almost a decade long period of time where golf rounds in general decreased. They had a key assumption that they would rise back to their old level.

Council Member Burt clarified that the pro forma was not based upon an overall recovery in the golf market. He did not believe that was what this was about; he thought it was an analysis of recovery on rounds at the Palo Alto course as a result of the increased attractiveness.

Mr. De Geus said that was correct. He said that another way to think about the fee increase was that it was not so much to pay for debt, but rather what the market would bear for that type and quality of course given the competition in the area.

MOTION PASSED: 9-0

ORAL COMMUNICATIONS

Chuck Jagoda spoke regarding vehicle habitation. He said that sometimes homeless people were assumed to be community problems and that people did not always see the positive contributions of those without conventional homes.

Aram James spoke regarding vehicle habitation. He said that it was the one year anniversary of the conversation they started regarding a ban on vehicle habitation in Palo Alto. It was a good year in that the City had a robust conversation about the options. The Community Cooperation Team had met approximately 40 times and there was wide coverage in the press. He said that he did not know where the City would end up on the issue, but he was impressed with the discussion. He was convinced they could come up with

MINUTES

good solutions to fully integrate people who were living unsheltered or in their vehicles and make Palo Alto a role model for the rest of the country.

Stephanie Munoz spoke regarding Proposition 17, which referred to arrangements the City Council made for cutting employment benefits rather than wages. Health insurance was invented as insurance for the community's benefit so that the community was not stuck with the cost of social services including health care. She urged the Council to meet with other cities in California and the United States and work on the issue.

The City Council took a break from 7:30 P.M. until 7:50 P.M.

MOTION: Council Member Shepherd moved, seconded by Vice Mayor Scharff to continue Agenda Item No. 20 to a date uncertain.

Council Member Shepherd said the item was for an initiative on the 2014 ballot and it could be addressed after the City Council's August recess.

Vice Mayor Scharff agreed with Council Member Shepherd and said he needed to think about the issue further. He did not believe he would have voted for it if he was present at the High Speed Rail Committee meeting that day and it would not have come to Council with a recommendation as it would have been a 2-2 vote.

Council Member Klein said he thought it should be moved to the last item of the evening. He had serious concerns with continuing the item. 2014 was an artificial date and he had wanted the item on the agenda prior to City Council's recess because signatures were being gathered in 2012. The proponents had to gain over 500,000 signatures for it to qualify for the next ballot that had initiatives. He explained that could and would be 2013 if the Governor's tax initiative failed in 2012 and was put on the 2013 ballot. The Council did not have a long period of time in which to comment and could only take symbolic action. If Council was going to take that symbolic action, he felt they should do it while it could have some impact.

MOTION WITHDRAWN BY THE MAKER

MOTION: Council Member Shepherd moved, seconded by Council Member Schmid to move Agenda Item No. 20 to the end of the meeting, to become Agenda Item No. 23a.

MOTION PASSED: 8-1 Price no

MINUTES

21. Public Hearing: Adoption of a Resolution 9279 Confirming Weed Abatement Report and Ordering Cost of Abatement to be a Special Assessment on the Respective Properties Described Therein.

Public hearing opened and closed without public comment at 7:59 P.M.

Mayor Yeh said zero persons appeared or filed written objections against the Weed Abatement proceedings and that any Resolution passed by the City Council on the matter reflected that finding. He said that there was a representative from the County present to answer questions.

MOTION: Council Member Shepherd moved, seconded by Council Member Price to adopt the resolution confirming the report and ordering abatement costs to be a special assessment on the properties specified in the report.

MOTION PASSED: 9-0

22. Approval of Detailed Sidewalk and Plaza Design for California Avenue Transit Hub Corridor Streetscape Improvements Project.

Curtis Williams, Director of Planning and Community Environment, said he was there to present the design for the California Avenue Streetscape project and the associated plaza at Park Boulevard.

Jaime Rodriguez, Chief Transportation Officer, discussed the area between California Avenue between El Camino Real and the Caltrain Station. Staff was asked by the Council to look at new opportunities to provide sidewalk widening areas as well as areas that could be used to provide additional beautification for the corridor. Shortly after they started the project they had RBF Gates develop five different concepts that they shared with the community. Based on the community input received Staff showed Council a sixth concept which they called the Community Preferred Hybrid Concept. One of the things the Council asked Staff to do was take the best elements of all the different options and add more of the widening areas thought the corridor. At the same time they worked on the designs of the Park Boulevard Plaza near the Caltrain Station. He said that currently there were approximately 11 parking spaces on the street with four travel lanes and angled parking on both sides of the street. The angle parking was substandard compared to the City standard specifications that they asked developers to adhere to and that was one of the reasons why they could get the four lanes in the corridor. He showed the areas where they added sidewalk widening or streetscape treatments since the last time Council saw the project. Underneath was a rendering of what the corridor would look like with the sidewalk widening treatments that allowed for seating that

MINUTES

could be utilized by businesses adjacent to the treatment areas, where they preserved angled parking, and where there were new shade trees that extended over the roadway. He said that even if there was not an extended use, the corridor itself still benefited by the widening. The transition slide showed all of the sidewalk widening or green space that had been dispersed through the entire corridor. Staff thought that plan responded well to the comments made by Council about disbursing the improvement areas for the project throughout the whole corridor. He said they were asking Council to consider approval of the preferred street alignment so Staff could advance the street design for the project.

David Gates, Consultant said he thought the concept was perfect because the City had a new urbanist live/work set of communities. He said that a complete street was a combination of pedestrians, bicycles, shopping, eating, and was a place to be. He thought the study made it a better and safer place to be. Starting at El Camino Real the green areas were new landscape. Cars were slowed with additional bicycle parking zones. The parking was reconfigured in different patterns which allowed them to plant and create a new pedestrian paving zone. There were existing art elements and news racks which were staying in place. There was a textured zone that described the outer edge of the parking and made it feel safer for the parking zone versus the bicycle zone versus the travel zone. What was currently a 40 foot zone for four cars and bikes turned into a 36 foot zone for two cars and bikes. He said that the large trees were new trees but noted that the existing trees were all being saved. He showed a walking zone and a seating vital active zone with opportunities for large scale trees. They were doubling the number of trees and maintaining the art. They created seating areas in the bulb out zone so that the areas were usable. They widened crossings, planted new trees and landscaping, maintained art, and placed bike racks. He showed Council what a bulb out would look like. The mid zone was set up so it could be blocked off for temporary use. He said that if you removed the cars there was the existing sidewalk and a wider zone for useable space that was far more efficient than what was currently there. Further to the east he showed the Mollie Stone's zone which had loading zones, bus pull outs, more trees, and new seating areas. He said the streetscape would be refreshed, cooler, more usable, more vital, and significantly safer. They had gained additional space since the first Council meeting by moving around the parking and the patterns.

Mr. Williams said that one of the things they wanted to emphasize was the change in the cross section of the street from the existing situation to what was being proposed. The new scenario was a 15 foot wide travel lane with a three foot band before the parking area, so there was 18 feet total. It was a 36 foot wide cross section for two travel lanes. They thought that was a

MINUTES

much safer situation for bicycles to maneuver between the cars and the parking zones. At the same time they were able to bring out the sidewalks and extend the amenities.

Mr. Gates showed another slide that looked at the flexibility of the use of what he called the "central belt buckle area." He explained they could add a 15 foot parklet in the parking zones or part of them and that they could do the same on the other side and leave the traffic flowing. He said they could do one side and not the other and have a very large usable space. The plaza badly needed refreshing. The fountain had not worked in some time. He said it was the terminus to the street, so as one looked down and used the street it was the focal point. They vetted a variety of schemes with several workshops and moved the fountain. They had an artist they would work with to make the fountain interactive with seating stones. They tried to encourage bike movement as people came out of the tunnel, improve safety, and reduce the conflicts between the bikes and the uses. The goal was for the character of the street to work with the community. There was a unique feeling about it with many pieces of art that they wanted to retain. He said that having a holiday tree was critical. They wanted to screen the Caltrain station, soften and protect it as well as make the tunnel a better experience and a safer, lighted place. He noted they preserved all the existing pistache trees and planned to double the number of trees. The fountain would sit back further which created a large flexible use space, which could be an addendum to what went on in the "belt buckle" area. There was solar control vegetation and an edge on the space to keep children and dogs out of the street. There were many built in seat walls and benches. He discussed the passive sector, which was a green area with seat walls and benches. They brought back bike storage opportunities. He said that the screening along the Caltrain could be softened with nature.

Mr. Rodriguez showed a one way circulation of vehicles around the plaza. Vehicles would travel in a counterclockwise movement around the plaza. He stated that there were not many vehicle movements out there currently and unless there was a significant change to the Caltrain schedule they did not foresee the movement increasing in the future. There were much less than 1,000 vehicles a day around the area. Unless you lived there or were coming from the Caltrain station there was not a reason to drive around the plaza. When they went to the Planning and Transportation Commission (P&TC) there was significant conversation about how the plaza should function in relation to bicycle/pedestrian movements because the tunnel saw up to 600 bicycle movements on a daily basis during the school year. He showed a slide that was a transition of how Staff saw bicyclists coming down California Avenue towards the tunnel. He said that bicyclists would share the road with motorists but would eventually have their own entry point onto

MINUTES

the plaza to get into the tunnel. For the bicycles that came out of the tunnel there were many ways they could go. Preferably they would be on the contraflow, which was a standard eight foot wide bike path along the south periphery of the plaza. They gained that space by widening the plaza along the south side. He said that there was a dedicated path for bicyclists to move around the plaza and avoid specific interaction with pedestrian activity. Bicyclists would get back onto the intersection at Park Boulevard. One of the things they did was take advantage of newer treatments that were recently approved in the Bicycle Pedestrian Transportation Plan. Specifically, they used green bicycle treatments and Share the Road Arrows (Sharrows) through intersections. It was a unique design that was the first of its kind. It functioned well at that particular intersection because it was a calm dead end street which allowed the opportunity to guide and use the street almost as an art element for bicycle paths and guiding vehicles through. There currently was not much pedestrian activity and they hoped that changed with the addition of the plaza. He thought Mr. Gates had done a good job of building a plaza that took advantage of public art pieces, adding more trees, and creating a space that people would want to be around. Pedestrian paths were shown and people could come off California Avenue and use the plaza. He said people could also walk over to the end of the plaza and pick up a bike share from the Santa Clara Valley Transit Authority (VTA) program. The paths could also be traveled by bicycle, so there was a lot of flexibility on how uses intermixed in the plaza itself. He said they had not placed out what the various streetscape treatments would be. They had a palate of preferred types of streetscape treatments that the community liked based off the workshops they conducted, but they could not be placed until they had a preferred street alignment. That was the main reason they were before Council that evening.

Mr. Williams said that Planning & Transportation Commissioner Keller would go into detail regarding the P&TC recommendation. The P&TC had about six items they thought Staff needed to look into as they moved forward with a more detailed design such as loading zones, the bike facility operation at the plaza, crosswalks, some of the parallel parking near El Camino Real, and the issue of a trial lane reduction. He said that everyone was aware that quite a substantial number of merchants had been recommending that the City initiate a trial lane reduction before proceeding with the project. The P&TC recommended that the merchants in the community propose how they saw such a trial operating and then Staff would take the plan evaluate it and determine if it was feasible. The P&TC provided clear parameters that the trial should not delay the implementation of the project or jeopardize the funding. Staff had looked at the issue of a trial and the concerns they had were that it was difficult in a trial process to really replicate the safety and aesthetic benefits of the project. Some of the things like raised crosswalks

MINUTES

and the aesthetic treatments were unable to be replicated unless they spent a significant amount of money on the trial process. Second, Staff felt the trial itself was visually unattractive. It could be paved and striped, but then to add some barriers to keep people away from where the sidewalk widening would use techniques that were not generally attractive on a temporary basis and could be very confusing for motorists. Third, the trial involved at minimum the repaving and restriping the road which could be done, but in a year or so if the permanent project proceeded they would have to redo it. It was at least \$60,000 to pave and restripe the road. If they did some visual amenities in an attempt to mock up the rest of the project they estimated that was an additional \$30,000-40,000. A very simple trial would probably cost \$100,000 which would be undone a year later to implement the permanent project. Lastly, and perhaps most important, the measure of success of the trial was difficult to ascertain. Staff would probably look at the traffic flow issues from an engineering standpoint, but many of the other assessments would be more subjective in terms of the way that they looked at what happened on the street. He said that the issues of confusion and visual unattractiveness may be seen as negatives for the overall trial but was really just associated with the temporary phase. While Staff understood and was willing to do more work in that direction if Council indicated to, they did not see that a trial was merited and would not recommend it. He showed a slide with a traffic comparison on other two lane downtown streets and neighboring communities as well as University Avenue where the traffic volumes tended to be three to four times the volumes of California Avenue. He stated that those streets functioned well. The other thing Staff wanted to point out was that with the exception of Walnut Creek that the other streets in the south bay had 11 to 13 foot wide lanes. This project had 15 foot wide lanes with an additional 3 foot band prior to the parking. Staff thought that width was a different situation and made for a safer and more attractive environment. They were trying to nail down some of the elements of the street configuration in terms of the sidewalk widening and the plaza design. They would return with specific design components following Council direction and then they would visit with Palo Alto Bicycle Advisory Committee (PABAC), the Architectural Review Board (ARB), the Parks and Recreation Commission (PARC), the Public Art Commission (PAC), the P&TC, and finally return to Council with the final design in the second quarter of 2013. Staff's recommendation related to identifying the preferred street alignment and moving on to the final design. They expected to finalize the funding with the VTA in the fall. It was \$1.1 million dollars. They suggested that the funds from the Vehicle Registration Fee Program (VRF) could be used to close the \$700,000 estimated cost gap for the sidewalk widening which was not in the original dollar estimate. Staff also would have ongoing community outreach aside from the meetings with the several boards and commissions. He said they would meet with the merchants and discuss

MINUTES

construction staging and ways to enhance business activity during the course of construction. Staff recommended that Council approve the proposed street alignment with sidewalk widening and conceptual design level of the plaza, direct Staff to proceed with more detailed design, and continue to work with the community and to return to Council early in 2013 with a final design.

Arthur Keller, Planning and Transportation Commissioner, said that one of the P&TC's recommendations was taken into account. The contraflow bike facility at the Park Boulevard plaza was changed from when the P&TC saw it. The main issue was the P&TC's recommendation that Staff be directed by Council to solicit a proposal from the merchants and the community for a trial that included what measures would implement the trial and the metrics to determine success or failure. He thought from everything he read and heard that there was wide acclaim of the improvements themselves other than the lane reduction. The trial was merely to determine whether the lane reduction would result in an increased congestion that would make California Avenue reduced in terms of its passability. If what was measured was congestion, then the standard Institute of Traffic Engineers (ITE) Level of Service (LOS) metrics could be applied. Generally in the City levels A, B, and C were considered acceptable, D was marginal, and level F was failing. Based on those LOS metrics one could have an objective measure as to whether the trial was successful. If it went into level of service D, he thought people would generally consider that unsuccessful. On the other hand, if it changed from A to B or B to C using the standard ITE metrics, then he thought people should consider that a success. He did not want Staff to enter into a trial unless there were clear metrics agreed to in advance as to what was successful. He said that the choice for the Council was to recommend that Staff solicit a trial proposal from the merchants and noted that basically only incurred Staff costs. Only once a trial from the merchants was proposed that Staff considered feasible would there be actual costs. His personal judgment was that there would not be a significant degree of congestion. It was clear to him that a significant portion of the merchant community and the visitors to California Avenue were concerned about congestion. Based on that he thought that providing an opportunity to propose a trial and evaluate what that trial entailed gave the community an opportunity to have their say.

Council Member Shepherd said that Jack Morton set up a meeting with a number of Council Members and she participated in that meeting. She heard several things at that meeting that she wanted the merchants to confirm during public comment. She asked Staff to confirm that if they did a trial and it failed there were no funds remaining to complete the project.

MINUTES

Mr. Rodriguez said the funding that they planned to receive from the VTA had a two year time restriction. If they initiated a trial and then determined that they did not want to move forward with the project they would likely have to give up the funding.

Council Member Shepherd said there was concern about the fact that Council was never presented a four lane option. She understood that they were given the option to accept the grant knowing that if they accepted it then they would look at a two lane option. She said that she wanted to understand that process better.

Mr. Williams said that was correct. There was no design for a four lane option because the grant was for a two lane option and Council could have voted no if they had not wanted to move forward.

Council Member Shepherd complimented the improvements and noted that she rode her bicycle through the plaza weekly. There currently was confusion as to where bicyclists were supposed to ride their bike and where they needed to get down. She said many people did not like to get off their bikes. She said was pleased to see the extra work that went into the plaza and tunnel. She confirmed that if they were to move the sidewalks in and do those improvements that money was coming from the VRF and was new to the City and not currently dedicated to anything.

Mr. Rodriguez said the use of the VRF was for general street improvements of the project. Staff was not specifically saying that they were for a sidewalk only; they were just providing an amount toward the overall cost of the project.

Council Member Shepherd confirmed that if the project was not implemented they would have to start over and complete a four lane design which would have to be cycled through the Capital Improvement Budget. She was not sure when there would be funds available in the Capital Improvement Budget because it was already stressed with the projects recommended by the Infrastructure Blue Ribbon Commission (IBRC). There were hundreds of millions of dollars' worth of infrastructure projects. She heard from the merchants that the priority was bicycles. The way she understood it was that it was getting the bicycle community to sign off on whether the design was safer for them. She understood that if the City did a trial the parking would have to be restriped at a different angle and asked if that angle would narrow the street to where they could not accommodate four lanes.

Mr. Rodriguez said that was correct. The majority of California Avenue was 63 degree parking with the exception of the block between El Camino Real

MINUTES

and Ash Street on the south side. He said that a typical 63 degree parking style required an 18 foot dimension depth from the base of the curb to the back of the stall. California Avenue was closer to about 14 or 15 feet in those 60 degree stalls. He said that they were short and that was why they never recommended it because it did not fit the City standards.

Council Member Shepherd said that it was a regulation that they restripe with a certain angle, which was not the angle that was there now. She confirmed that they could not restripe at the current angle.

Mr. Rodriguez said 60 degree parking was the City standard. If they restriped it to satisfy the current standards they could no longer stripe it for four lanes because they would not fit.

Council Member Shepherd confirmed that if the City modernized it they had to stripe the new way, there was no way to retain the current striping.

Mr. Rodriguez said that was correct.

Vice Mayor Scharff wanted to understand the P&TC recommendation. He saw Staff already took some of them into consideration. He asked for an explanation of the contraflow bike facility. He asked if Staff had not originally thought of that change or if there had been a reason not to do it.

Mr. Rodriguez explained that a contraflow lane was a marked segment of the roadway where bicycles traveled in the opposite direction of the vehicles that were adjacent to them. He said that the plaza design had gone through much iteration since the beginning of the project. The concept of a contraflow lane had been discussed. However, Staff realized that contraflow was not going to be acceptable to the biking community and the P&TC recommended against one. The City would have its first contraflow bike lane later in the year on Homer Street between Alma and High. The P&TC recommended that the contraflow concept was good to keep the bicycle movements on the south side of the plaza away from the pedestrian focused movements, but suggested they do it on the plaza. What they showed was an eight foot pathway similar to what was behind Palo Alto High School and the Caltrain tracks.

Vice Mayor Scharff confirmed that Staff supported the current plan.

Mr. Rodriguez said that was the concept they would continue to advance for additional input.

MINUTES

Vice Mayor Scharff said he listened to Commissioner Keller's points about where they would be in terms of LOS. He asked what the current LOS was.

Mr. Rodriguez said that almost all of the intersections along the corridor operated at LOS A or B, and they remained that way as they analyzed the corridor through the traffic impact analysis when they started the project. They looked at LOS from two perspectives, the intersection LOS, which was what Commissioner Keller had referred to, and from a roadway segment LOS where they studied delays from people parking. That was also at a LOS of A or B throughout the corridor.

Vice Mayor Scharff said he understood that it took a lot to get to LOS D from A or B. He thought it was obvious that they would not go from LOS A or B to service level D. It was unclear to him what was gained by spending \$75,000 or so on a trial if that was the metric the City used.

Mr. Keller said his personal opinion was that a trial would not show that there was excessive congestion based on objective metrics such as LOS. He said that would allow the City to go forward with the proposed changes. What concerned him was that there was a large segment of the merchants who believed that the narrowing of the roadway from four lanes to two lanes would seriously impact their businesses. He noted there was a segment of the community that agreed with the merchants. The consideration for him was that significant amounts of money were being spent on lawsuits, which would be better spent on a trial. He said that putting a small amount of money on board seemed like a valuable resource. What needed to happen first was that the merchants and community needed to propose a trial. Proposing a trial was inexpensive, but implementing one cost money.

Vice Mayor Scharff said that another item raised by the P&TC was mid-block crosswalks. He confirmed that was not in the original plan and asked if the idea behind that was traffic calming.

Mr. Keller suggested a raised mid-block crosswalk because it allowed for better pedestrian safety. At an intersection there were stop signs, but when you had pedestrians crossing mid-block there were no stop signs. There was visual treatment, but a raised crosswalk was kind of like a speed table so the cars had to slow for it and it was easier for the pedestrians to cross. He said it was a modest cost for improved pedestrian crossing safety.

Vice Mayor Scharff asked if that would make the LOS worse and slow traffic. He asked if that was the merchant's concern.

MINUTES

Mr. Keller said that he did not know that the merchants were concerned about raised crosswalks; he thought they were mostly concerned about the delay from trucks parked for deliveries or from people parking. He said Council could ask the merchants if they were also concerned about raised crosswalks but indicated no one had talked about that.

Vice Mayor Scharff asked Mr. Rodriguez if the raised crosswalks were necessary, a good idea, if they would slow traffic, and if they were worth the cost.

Mr. Rodriguez said that in the original project there were raised mid-block crosswalks. It was recommended from the beginning of the project, but they were removed as a cost savings element to try to stay underneath the \$700,000 threshold. The P&TC had asked for them so they put them back in.

Vice Mayor Scharff asked what the raised crosswalks cost.

Mr. Rodriguez said they were approximately \$15,000 each.

Vice Mayor Scharff asked how many there were or if they were not planning on raising all of the mid-block crosswalks.

Mr. Rodriguez said there would be four mid-block crosswalks at a total cost of approximately \$60,000.

Vice Mayor Scharff said he thought they had parklets and bike corrals and asked why the plan said they would be considered. He asked what the P&TC suggested that was different from what was in the plan.

Mr. Rodriguez said the project already recommended bicycle corrals. There were only a few that they knew made sense, but there could be more when they entered the design process. However, they had not recommended any parklets as part of the project. What the P&TC asked Staff to consider was where they showed the majority of the widening such as between El Camino Real and Ash Street, which was where the majority of the existing restaurant type uses were, so there was concern from some of the P&TC that there could be future restaurant use in other areas. Therefore they requested Staff consider a policy that allowed for the City to expand and build parklets in the future at merchant request.

Council Member Espinosa said one of the main issues Council heard last time was related to loading zones, especially for businesses that did not have alley access. That had not seemed to change significantly before it went to

MINUTES

the P&TC, which resulted in another recommendation from them. He asked where the loading zones were and if there was a reason the changes had not been made prior to the P&TC meeting.

Mr. Rodriguez said that was not changed before they went to the P&TC because they wanted to know from the merchants where they wanted the loading zones. They had asked that question in the past during the community meetings and early on the merchants said they did not want loading zones on the streets because they could use alleys. Based on that, Staff removed the loading zones but later put them back in. The first zone currently proposed was near Ash Street, which shared an area with a bus stop. There was a second loading zone on the eastern end near Birch, and on the western end they had two options for a third loading zone. During the P&TC meeting the community indicated they wanted the loading zones, but they needed to be in more usable locations. This was pending more community outreach.

Council Member Espinosa asked what they saw happening in the community outreach process and if Staff was surprised that 55 businesses put ads in the papers complaining about the process.

Mr. Williams said he was surprised. He thought they had presented good information, however he knew there was concerns about the vision for the street. He was not sure how much more Staff could do, but they were willing to continue to work towards showing more examples of how it worked in other places. Some of the outreach resulted in mutual frustration as Staff tried to discuss the loading zones and construction staging with the merchants. The concern was in having the discussions they were acquiescing to a two lane alternative. They did not want to have the discussions until they had gotten past that issue. He said there was a difficulty in having the discussion because of the two lane/four lane issue.

Council Member Espinosa wanted to discuss separating that from the remaining improvements. Council received constant e-mails stating that the merchants wanted the other improvements without the lane reduction. He asked Mr. Williams to address the reality of separating those two.

Mr. Williams said that the amenities and benefits really could not happen without the reduction. It was not a matter of taking the existing sidewalk and putting the features there and making it more attractive. It required bulb outs and additional seating areas and areas for trees. That required widening sidewalks and installing bulb outs which were not able to be accommodated with a four lane configuration.

MINUTES

Council Member Espinosa wanted to walk through the scenario of a trial. He understood the desire to have one and why people were calling for it, but he had a hard time seeing if it would work and what would be tested. He wanted to look at it from the point of view of how a trial might work. He said that they would repave the street first, restripe it, put up barriers to widen the sidewalks, and do plantings and that sort of thing. He asked how long Staff thought they would need to run the trial and how the City could make it look like something other than a confused construction zone.

Mr. Williams said that was Staff's concern. He thought the simplest version was to repave and restripe with a boundary stripe of where the extension of the sidewalk went and then the parking outside of that. He said that did not provide a physical barrier and it created confusion. Based on that they reviewed what kind of barriers could be erected, but everything they thought of looked temporary and tacky. If there were barriers they could use one block as an example and extend a wooden platform over an area and put some trees and tables in to see how it looked. However, all of those things depended on how much money was put into the trial. The most difficult part was the barriers.

Mr. Rodriguez said they tried their best when looking at the barriers to figure out how it could be put together. On top of the striping and the areas they created where the widening would be, they discussed renting or purchasing large trees in planter boxes to section off those areas. The cost of renting trees was extremely expensive. They considered purchasing the trees, but there were too many trees. They discussed using wooden platforms to simulate the sidewalk widening, but that created an accessibility issue or an Americans with Disabilities Act (ADA) hazard. Those were the challenges Staff identified in trying to replicate the project for a trial. It was very difficult to do.

Council Member Burt asked them to put up slide 20, which was the same as the table Council had in Attachment D, page 3. He asked if the other downtown streets were two lanes or four lanes.

Mr. Rodriguez said they were all two lane streets.

Council Member Burt confirmed that California Avenue had one third the traffic and twice the lanes.

Mr. Williams said that was correct. He said that the higher volume of 5,280 was for the block between El Camino Real and Ash Street. He explained that as one progressed down the corridor the volumes decreased significantly.

MINUTES

Council Member Burt said it was rounded up on the high end. The slide was important. California Avenue had one third the volume and twice the capacity of the other downtowns. He said that his understanding why the street was four lanes was because prior to the Oregon Expressway it was a thoroughfare across the tracks and had been for the better part of 100 years. He asked if that was correct.

Mr. Williams said that was their understanding and that when the Oregon Expressway went in California Avenue was closed at the tracks but the street remained four lanes.

Council Member Burt asked Mr. Gates if an urban designer was going to design a pedestrian oriented small downtown with a dead end street if they would ever design it with four lanes today.

Mr. Gates said they would not, that urban designers liked to slow down cars and make everything as green as possible. They liked to keep it two lanes. Generally they wanted to keep retail off arterials. He explained the Average Daily Traffic (ADT's) rate was greater than 5,000 then urban designers did not place retail there.

Council Member Burt said that the current arterial was Page Mill Road, whereas 50 years ago it was California Avenue. Council Member Shepherd had asked about the grant and if there was an option for a four lane configuration. He thought the answer did not address the history of the grants. In Attachment D Staff talked about four different grant applications the City pursued since 2004. It said, "All grant submittals pursued were for two lane approaches." He asked if that was correct.

Mr. Williams said yes.

Council Member Burt said that the notion of two lanes had been eight years and four grant applications long. They had heard that the two lanes were driven by the grant and the answer Staff gave almost seemed to imply that it was. His understanding was that the conditions of the grant aligned with what had been three previous grant proposals by the City and that was through three or four different compositions of City Councils which all supported the concept.

Mr. Williams said he did not know about the Council compositions but all the grants involved two lane configurations.

Council Member Burt said there had been many misconceptions and misrepresentations. Part of the question was if Staff was surprised that 55

MINUTES

merchants had signed on. He very strongly believed that much of it was based on misrepresentations. When he spoke with merchants what they had been fed was not what the City understood to be the reality. He was glad they were going to add loading zones when they did not presently exist, but noted there were alleys that extended virtually the entire length of California Avenue on both sides. There was Mayfield Lane on the north sides with Mollie Stone's on the end. Mollie Stone's also had a loading area on Park. He asked if there was some place that did not have alley access.

Mr. Rodriguez said the only area that really did not have an alley was Palo Alto central down towards the southern end. Everything else had alley access behind it. They did not know without going to every business if every business could take advantage of that loading zone, but the whole corridor did have rear access on California Avenue.

Council Member Burt said that even if the project's outcome was great there were still concerns about construction impacts. He understood Staff would engage with the stakeholders and that they might decide to stage the project. He asked if the project was done all at once how long it would take to complete.

Mr. Rodriguez said he would have RBF Consulting answer the question. California Avenue was very fortunate because many other streetscape projects required major underground reconstruction. That was not the case with California Avenue which gave them much more flexibility.

Candy Mahoney, RBF Consulting, said that construction would be four to six months depending on the staging. The current idea was to close one side of the road and move the traffic to the other so there was always access to the businesses. They were also considering nighttime construction. She said there was considerable flexibility.

Council Member Burt asked how long construction would last if they completed it in two stages.

Ms. Mahoney said depending on if they did night construction it would probably be four months.

Council Member Burt said that was good. He asked if there was a valid concern by the public on the potential length of construction.

Ms. Mahoney said that was why they wanted to coordinate with the merchants. They wanted feedback so they were not working during busy times such as Christmas season. They had many ideas to reduce impacts

MINUTES

such as nighttime construction. She said that they wanted to ensure that that there was access to the businesses at all times. Delays happened, but their goal was coordination and they planned to have contractors submit detailed schedules. That was going to be placed in the specifications for the contract so the contractor would have a representative and the merchants would know when the construction would happen.

Mr. Rodriguez stated there were many ways to stage the project. He said they could be extremely aggressive, do nighttime construction and complete the project in six months with no impact to the businesses during the day. If they wanted to stage it out during the nighttime only in certain areas to balance resident concerns then they could look at completion in 8 to 12 months. He said that was not designed.

Council Member Burt said it was a street that was pretty quiet at night. There were some businesses that still operated in the evening, but compared to University Avenue it was quiet at night. There were many design issues he had input on and asked if that evening was the meeting where they should go into design details or if there would be other opportunities not only for the public and the merchants, but for the Council to comment.

Mr. Williams said the focus of the meeting was to see if the sidewalk widening approach was correct and if there were any fundamental issues in the plaza that Council thought Staff needed to spend more time on. In terms of where bulb out or other things specifically occurred, there would be subsequent meetings.

Council Member Burt said he thought the change on the counter flow bike lane was in the right direction, but he was not sure if the bikes leaving the tunnel were correct. He generally wanted to see room for restaurants to have outdoor tables and bike racks and things in other areas.

Council Member Price said she was generally in support of the proposal. She asked if it would accommodate a potential Bus Rapid Transit (BRT) stop at the intersection of El Camino Real and California Avenue.

Mr. Rodriguez said that it would. He reminded the Council that the proposed BRT stations by VTA were on the other side of the intersection on El Camino Real. One was in front of the Radio Shack and the other in front of the Wells Fargo Bank.

Council Member Price asked how the raised crosswalks would compare with the textured intersection of Stanford Avenue and El Camino Real.

MINUTES

Mr. Rodriguez said that earlier he has said that they had removed the raised crosswalks as a cost savings; one of the concepts for replacement was to do that exact treatment because it provided enough of a vertical deflection on the roadway and still caused motorists to pay more attention and slow down. That was still a good treatment they could use.

Council Member Price said the complete street concept was a pretty standard goal within urban design and transportation planning. When projects competed for funding the extent to which they demonstrated that a project was based on complete street principles gave them an advantage in the competition. She was sure that Staff was conscious of that when they made their original proposal. In the original application to Metropolitan Transportation Commission (MTC)/VTA she asked if they made reference to the California Concept Plan and the potential for increasing parking capacity on the streets that were parallel to the California Avenue corridor.

Mr. Rodriguez said in the original grant proposal to the VTA they made reference to the fact that City was developing a specific plan for the California Avenue area and that the proposal was in line with the visions of what the overall corridor could be, but they did not specifically discuss changes to adjacent streets.

Council Member Price felt that they focused on the California Avenue corridor but the reality of the retail and residential experience in that area was more than just California Avenue. She asked for the status of the timing of considering increasing parking capacity via structure parking on the streets parallel to California Avenue. Several businesses and residents had expressed concerns about the issue of parking capacity in that immediate area. She understood the proposal was for California Avenue but explained that without recognition of the potential parking capacity enhancements that were probable it was incomplete. She asked what the staging and timing of that was and if a serious examination of the increased capacity could be accelerated closer to the timing of the proposal.

Mr. Williams said Staff was cognizant of it and it was part of their California Avenue/Fry's Area Plan discussion which looked specifically at the potential to add parking structures. Council would see that plan in the fall. However, the implementation of that was very uncertain, so even if there were a plan to approach an additional parking structure in the area, funding determined when that could happen. It did not look like it would align with the timing of the California Avenue streetscape project, but on the project they were trying to maintain the current parking levels. The net with the realignment was actually four increased spaces. He knew Mr. Rodriguez and Staff had

MINUTES

looked at the streets near the area for opportunities to restripe spaces and pick up more parking spaces. Additionally, Staff was studying the issue of the permit system in the California Avenue area garages and trying to be more efficient there as well.

Council Member Price said that if Mr. Arrillaga could do the Stanford football stadium in seven to nine months then the City of Palo Alto ought to be able to complete projects more quickly. Everyone heard the very serious concerns voiced by the merchants and residents regarding construction impacts. She said that she could not overstate the importance of a preconstruction well-articulated aggressive plan with the appropriate input that did everything possible to defray and mitigate impacts including project construction acceleration.

Council Member Schmid understood the merchants concerns about reducing the lanes from four to two. California Avenue was unique in that it was a dead end street on both ends. There were not that many entrances to California Avenue. He thought the Council had already discussed or would discuss over 400,000 square feet of new offices and residences in the area. That would have an impact and he thought it was rational to say that they needed to look at the concerns. Staff had said that the biggest concern about doing a trial was subjectivity and anecdotal evidence. However, he thought the P&TC recommendation was very concrete in saying there should be a short trial with concrete measures, such as LOS or route time through the street. From what he had heard from the merchants, they wanted a trial and if there was not concrete evidence of problems in the trial with real measures, then they would accept that. He thought that getting the community together on the project was an important element. He asked if a trial was acceptable if the agreement was based concrete evidence such as LOS.

Mr. Williams said the project was about providing a space for people as much as it was about providing an avenue for vehicle traffic. He was confident that if the criteria were that the LOS remained above D it would meet those criteria, but the measurement of success of the trial was not just the engineering data, it was the kind of environment that they created. There was subjectivity in that respect.

Council Member Holman said Council Member Shepherd mentioned that some of the Council met with the merchants and she was one of them. The component that she understood was a concern about backup of traffic. The merchants were very concerned about traffic flow and people being able to get in and out with their cars. She understood that the measures of success were much broader than that, and she thought the merchant community

MINUTES

understood that as well. She asked if they could do a trial where the only measure of success was maintaining a LOS without a significant degradation. She said that \$60,000-100,000 was a considerable amount of money but if the mid-block raised sidewalks were removed, that was \$60,000 of the \$60,000-100,000, so that almost canceled out the cost of a trial. She saw it as an investment in the community as well as an investment in the project. She again asked if they could do a trial where they only looked at backup traffic with the LOS as a measure of success.

James Keene, City Manager, thought Mr. William's answer to Council Member Schmid was accurate. He was not surprised that the merchants were concerned. He said any sense that the flow of business could be interrupted produced anxiety. The real trial was about the total experience, the pedestrian, the shopper, the visitor experience. Staff wanted a more explicit request for the trial than just LOS. He asked what LOS was acceptable. He said that people might not understand what was going on with the street and it could be problematic. In the long term the case could be made that California Avenue wanted more traffic in the sense of visitors and shoppers. He asked if a three second delay on the street was problematic. There were many variables and they could technically have a situation with a bad trial setup that would reduce traffic flow. He thought the measures they ultimately wanted to deal with were what visitors said before and after the tests. What they wanted to know was how many visitors were there and how much longer did they stay on California Avenue. It was not just about the traffic flow. For Staff to answer the question they needed to have a more specific outcome measure in advance.

Council Member Holman said that the alleyways south of California Avenue seemed more navigable than those that were north of the street which seemed less accessible for loading and unloading. She asked if Staff agreed.

Mr. Rodriguez said they did. One of the reasons Staff noticed that was because where there were defined loading zones along the north side there was double use of the area for trash receptacles. That was something that made them more navigable. The northern alleys were choked down and more difficult to navigate.

Council Member Holman commented that the plan showed many more trash receptacles but did not show anything in terms of recycling containers.

Council Member Klein asked for the distance between El Camino Real and Park Boulevard.

Mr. Rodriguez said it was about 1,000 feet.

MINUTES

Council Member Klein confirmed that was a fifth of a mile.

Mr. Rodriguez said that was correct.

Council Member Klein asked what the average vehicle speed was on California Avenue.

Mr. Rodriguez said 20-25 miles per hour.

Council Member Klein asked long it took to get from El Camino Real to Park Boulevard.

Mr. Rodriguez said the travel time was less than 2 minutes.

Council Member Klein said that if the speed went from 25 to 15 miles per hour it would be approximately an extra minute of travel time from El Camino Real to Park Boulevard.

Mr. Rodriguez agreed.

Council Member Klein confirmed that if California Avenue stayed at four lanes the other improvements were not possible.

Mr. Rodriguez said that was correct.

Mr. Keene said all one had to do was look at the street sections.

Council Member Klein said he had received a hundred emails that said people wanted the improvements and four lanes. He said that having read the e-mails he was not persuaded that what people wanted was just a traffic or time trial. He knew Staff had more meetings with the merchants and asked if the merchants wanted a test of traffic congestion, or if there were other questions they wanted tested.

Mr. Williams said they had also heard about impacts to loading and unloading as part of it and people parking, but that went back to the delay issue.

Council Member Klein asked how they would test for the loading and unloading.

Mr. Williams said that they would stripe areas off as the loading and unloading zones and work with the merchants on the delivery patterns.

MINUTES

Council Member Klein asked what the objective test was for that.

Mr. Williams said he was unsure.

Council Member Klein said that Commissioner Keller suggested that the merchants purpose a test. He did not understand that because he thought it was the City's job to make such proposals. He asked what the objective test was on the time trial basis, was it the congestion criteria or the increase in time traveled or what would Staff use if they designed the test.

Mr. Rodriguez said if Staff designed a test based on the concerns of the merchants some of the measures would be how often traffic stopped to accommodate parking. He said that much of it was subjective in trying to measure the experience of a motorist, which was difficult to do. Staff discussed flyer administration on cars, asking people to go on Survey Monkey online, and other things. The bigger concern was the amount of time it took to travel and the convenience of not having to stop.

Mr. Williams added that there were many things that could be measured, but the question was what amount of those things was acceptable. It was very difficult to set a target.

Council Member Klein asked if any merchant or group of merchants had suggested an objective test.

Mr. Williams said Staff had not heard any suggestions.

Adina Levin was the Co-Chair of the Palo Alto Sierra Club Cool Cities and Silicon Valley Bicycle Coalition Joint Team. She believed the Council had received letters from several of their members who supported the project and recommended going forward. The group met once a month at Palo Alto Pizza on California Avenue and Park. She personally visited California Avenue for the farmer's market, restaurants, and businesses. She heard someone allege earlier that the project was for the bicyclists. The improvement to the experience as a pedestrian shopper enjoying the street was really the benefit. As Council Member Burt mentioned the four lane street was designed for a long gone era where that capacity was needed. It was a dead end street and the extra capacity was not used and would be better used for the quality of the pedestrian experience. She said Castro Street in Mountain View was great, Santa Cruz Avenue in Menlo Park was fine, and it was that level of quality in a shopping experience that would improve California Avenue. As a customer she encouraged Council to approve the project.

MINUTES

Herb Borock said there were many comments from Commissioner Keller that he thought were personal comments rather than those of the P&TC, such as his comments about the LOS. He said that the real trial was to see what the traffic would be like when California Avenue was developed as intensively as planned. He said the trial would not do that but there was an outside chance that a trial would result in a demonstration that the two lanes was a bad thing. If it failed to do that, then the merchants would know from the trial that the lack of congestion now would be what they would have when the area was redeveloped. He suspected that what California was heading toward becoming another University Avenue. That was the merchant's real concern because the rents would rise to such an extent that many of them would not be able to afford remaining in the area. He thought that was really what was driving the merchant's concern. He believed it was a mistake for the merchants to rely upon the test of a trial to determine whether or not this would be a good thing for them. He said it was possible that the trial would show that it would be a congested area.

Shannon McEntee lived three blocks from California Avenue and bicycled through the area that evening to attend the meeting. She walked there; sometimes she drove there, and shopped there. She lived in Palo Alto since 1971 and until now she felt the City did a good job. With respect to this project she felt the residents and merchants had been ignored and that the project had been forced upon them. She attended most of the meetings regarding the project over the last several years and the press and the City continually referred to the merchants. She said that residents had overwhelmingly been against the narrowing of the street. They wanted trees, refreshed landscaping, tunnel improvements, a fixed fountain, and a small park, but they did not want to narrow the street. She wanted a trial and said that there were aspects that could be measured.

Bob Moss thought the fundamental problem with the process was that the primary focus was on aesthetics and ignored the fact that for the last 120 years California Avenue had been a traffic street. He said that one could argue that the traffic counts were low, but California Avenue was different than the streets they compared it to on slide 20. For example none of the other streets dead ended at a railroad station. Secondly, none of the other streets had delivery trucks that blocked parts of the road periodically. Third, there was a high concentration of traffic to and from the rail station during rush hour. He said that it was not comparable. One of the problems he saw with making statistical evaluations was that they would get numbers and people still might not agree. One example was that Staff said there was no diversion to the other streets. He said that if you looked at the traffic counts the diversion was as much as 10 to 30 percent. Staff said it was not a

MINUTES

problem but the people who lived there said it was a terrible problem. He said that there were going to be disagreements but once there was actual data with quantified values they could determine how to fix any problems. He told Council to conduct the trial.

Todd Burke said he had read the Staff report and had been to most of the meetings on the project including the last P&TC meeting. He lived on California Avenue overlooking the fountain park area at the end of the street. He was very excited about and in favor of the plan. He was also in favor of all of the suggestions by the P&TC with the exception of a trial. He could not think of another comparable street that had four lanes. From that perspective he did not think they needed more data. There was already an engineering report and a significant amount of information. The opponents had not put forth a piece of credible information, only opinions that changes would slow traffic. There was no counter engineering study. He said that there was not a solid pedestrian study. The bicycle organization had done a study and the numbers were interesting. He said it was a great project and he wanted it to happen as soon as possible without a trial.

David Bennett said he was the owner of Mollie Stone's Markets and the property owner of the store. He wanted to share some of his knowledge from being in the grocery business almost 30 years. They opened in 1990 and felt their supermarket was in jeopardy if the project went through. They saw a possibility of losing the neighborhood supermarket. He was fortunate that they owned the property, so it would not be devastating to Mollie Stone's. However, between the farmer's market, the two recently approved supermarkets in Palo Alto, the food trucks in the neighborhood, and reduced access to their own property; it was a very challenging situation. He said that increased bicycles and pedestrians hurt a supermarket. When the restaurants proliferated and people stayed and lingered parking spots did not turn over. He said that while that was great for the restaurants it was not helpful for the supermarket. Currently they had to have cars towed from their lot because they supported the lack of parking with their lot. He said that nobody liked towing cars, especially when people parked there, bought something from the market, and then ran other errands. He requested some kind of trial. It was very important for a supermarket to survive that access was not reduced.

Council Member Burt asked how bicycles hurt a supermarket's business.

Mr. Bennett said that he should have said that they did not enhance a supermarket's business.

MINUTES

Council Member Burt asked him to assume that a person bicycled to the neighborhood instead of driving and asked what he thought the net impact to parking was.

Mr. Bennett said he thought it was more of an access issue than the bicycle being in the supermarket.

Council Member Burt said that the bicyclist might go to the supermarket, but if the bicyclist simply did not take an on street space because he bicycled instead of driving, he thought that might increase the available parking.

Mr. Bennett said the way he looked at the bicyclists for the supermarket was when he looked at the plan and bicycles were sharing the road with an automobile, in the long run people became frustrated and they would find other alternatives.

Philippe Lehot said he owned square footage on the corner of California Avenue and Ash Street. He said that they were probably familiar with Joanie's Café, Know Knew Bookstore, Zen Garden, and Spalti Restaurant. He also owned eight residential units above Joanie's Café, which were the only residents really on California Avenue. The people at Palo Alto Central were not really on California Avenue. As a result he had significant feedback from his tenants. Everyone loved the four lanes. California Avenue was unique because the traffic was excellent. Trucks that made deliveries could double park and there was no problem in general with traffic. The idea of going from four lanes to two lanes was obviously an error. He said that two or three years prior the City committed an error by cutting the trees without telling the people of California Avenue. Studies made by the City showed that the density on California Avenue in the near future was going to increase tremendously, which was contradictory to the traffic study which assumed that there would be no change in density.

Jessica Roth said she was a business owner and a College Terrace resident. She asked for a trial for the lane reduction plan on California Avenue. A trial would help work out problems that may arise from the plan. She understood that it was difficult to see the benefits of the beautification part of the project, but people were not worried about that. They understood that the street would be more beautiful with all the gorgeous things the proposal included. She said that they were worried about the traffic flow. As a small business owner she said that working out the problems now rather than later could be the difference between staying in business and closing if there was a problem and people could not access the street. She said that if they could work out the flow of traffic onto California Avenue then many merchants would be happier.

MINUTES

Michael Eakwall brought a map showing the businesses that were opposed to the lane reduction. He said that in the past they had been characterized as a small passionate group, but there were 55 people who went on the record. There were many more who did not want to go on the record because they were afraid for one reason or another of some type of retribution or because their landlord would not allow them. He said that there were 55 people who were in support of the plan with the exception of the lane reduction. Those people were the same ones that paid for the advertisements in the Palo Alto Daily. He asked that the City conduct a trial and said that they did not want to have a contentious relationship with the City. They felt as though the concerns of the merchants were put aside. They had wanted to be a part of the process and to collaborate with the Planning Department and that had not come to pass. The Planning Department disagreed with them about the lane reduction which was a key part of the plan, but he had never heard so many people give so many excuses for not doing a trial and not giving them a chance to at least realize they could be wrong. He said that if he was wrong he would be the first to admit that he made a mistake and the trial period showed they were wrong. He thought the Council owed them the same courtesy. If the City was wrong then the merchants should have the opportunity to prove that.

Ronna DeVincenzi said the plan was gorgeous and exciting and she loved it. She enthusiastically supported the project brought to Council and agreed with Staff that a trial would cause confusion and not yield valid results. She said it was a mistake to second guess professionals for whom this was their life's work. She said that since 2009 Staff had been collaborative and deserved recognition for handling the streetscape phase two. She clarified that when the California Avenue trees were clear cut the City claimed California Avenue Area Development Association (CAADA) made the decision unilaterally instead of accurately portraying the fact that it was the City's recommendation to the CAADA Board to clear cut fulfilling the CAADA Streetscape Committee's vision for a uniform canopy. She said that the streetscape had been an eight year long process and she urged the Council to approve it that evening and to forego a test. She said that it was the same concept plan that CAADA brought to the City six years ago, Staff had just improved it with wider sidewalks, pocket parks, and a redeveloped fountain plaza.

Michael Eager lived on Park Boulevard about four blocks from California Avenue and had for more than 20 years. He supported the proposal, wanted the Council to move forward with it, and thought it had been delayed too long. When he first heard the complaints about congestion on the street he started looking for congestion on the street and did not find it. It was

MINUTES

paradoxical to him to do something that made the street look worse as a test of a beautification project. He said that if they did the trial they would get a study showing the traffic rates. People currently disputed the traffic service level. He asked if the Council really believed that if they did a study about traffic down a restriped street and got different numbers they would get agreement that the numbers were valid. He said that they should move forward with the project.

Robert Schick said that he worked at Accent Arts at the intersection of Ash and California Avenue for the last twelve years. Three days a week for twelve years he observed cars and pedestrians there. California Avenue was a thriving business district and the pedestrian load on the sidewalks currently looked like the illustration for the preferred street alignment. He said that the cost of the trial was grossly overstated because it was not necessary to test if people would enjoy wider sidewalks or more trees, they obviously would. The City simply needed to measure the amount of time it took a car to travel the street and the amount of extra stops it made. Future development also needed to be taken into account. He suggested they put planters in the middle two lanes and leave the parking alone. If they did that then they could see how it affected traffic.

Terry Shuchat said he was a property and business owner on California Avenue. He said merchants met with five of the Council Members between the previous Friday and that evening and hoped they got their point across. They really wanted to see a trial. They had many doubts and nothing they saw had proven the plan would work. If the plan worked, they were totally in favor of the project and would work with the City Staff to develop criteria for construction. They were not looking for a time trial, they wanted to know what happened when a delivery vehicle parked and if cars were able to go around. They wanted to know how long it took a car to back out of a 60 degree angled parking space as opposed to a 45 degree space. He said that presently cars could pull out of the 45 degree space into one lane of traffic while a second lane of traffic could continue to move. There was not currently congestion and the merchant's concern was that traffic would not move as efficiently in the future with two lanes. He asked for a trial and said they did not need the beautification along with it.

Robert Neff said he was involved with PABAC and lived in the Midtown neighborhood. He used the underpass at California Avenue frequently; including the previous night when he bicycled to Mollie Stone's to purchase dinner. He was concerned about the contraflow bike lane and was thrilled with the new version of the plan which was more workable. There were places where the plan could be refined further, but it was moving in the right direction. He said that as a more aggressive bicyclist he currently rode

MINUTES

down the middle of the right hand lane and it was very convenient. He said that many bicyclists did not do that, they tended to stay to the very right of the lane away from cars. The change to the lane arrangement with a much wider lane was going to be very welcome for those bicyclists who did not naturally want to get out in the middle. He thought it was a great improvement, but it was not a case of bicyclists versus cars, it was really an opportunity to provide a space for pedestrians.

Cedric de la Beaujardiere said he supported the project and appreciated the Staff and consultant's work to improve the bicycle flow around the plaza and their efforts to minimize conflicts with pedestrians and traffic. He thought Mr. Neff was correct. The two lane versus four lane configuration went to Payback and they and the Bicycle Advisory Committee thought it was much safer to have the wide lane. He said that bicyclists with the sharrows should ride further away from the backing out cars and there was still plenty of room for cars to go around bicyclists. The 55 merchants opposed to the project had lobbied the other merchants. There was significant fear about the traffic, but it was not balanced with the traffic numbers. He said that the merchants who were being lobbied got a one sided fear laden argument and signed the petition. He went to many of the community meetings and initially there were many speakers opposed to the project, but then one speaker spoke in favor of it and people cheered. When that happened he felt a release from the audience and suddenly more people spoke in favor of the project. When people were very passionate and angry there was an atmosphere that oppressed positive comment.

Christopher Bush said he was a resident who lived off of California Avenue and was there to speak in favor of the project and the two lane iteration. He said that everyone he spoke with was unanimously in favor of the project, which was ironic because unanimous support was claimed on both sides. As a bicyclist, motorist, and pedestrian he found the current situation unsafe. He found it unsafe to ride down California Avenue because he felt people were trying to see how fast they could speed down the road. California Avenue was supposed to be a pedestrian centered street where people could come and enjoy the businesses and establishments there and really get out of their car. The opposition by the merchants was just another iteration of their opposition to the project for other concerns. He did not believe that the two lane iteration was their principle concern; it was as though they would continue trying until they found a lawsuit that worked. He said that if it was not parking it was the traffic lanes. He thought the City Council needed to move forward with the program without a trial because ultimately they could not account for all the assumptions that were otherwise necessary to make the trial representative of the actual traffic outcomes for

MINUTES

many of the reasons already discussed. He thought that there was a very strong proposal and that the two lanes would increase safety for everyone.

Brad Ehikian said he was a property owner along California Avenue and a Partner with Premier Properties. Premier Properties had been actively involved with the management, ownership, and development of over 15 properties in the California Avenue business district. One of their most successful projects was at 361 California Avenue, which was Starbucks/Tandoori/The Counter. Those tenants were wildly successful and most of it was due to the combination of a modern building design and their ability to provide outdoor seating with a desirable street appeal, all of which added to the vibrancy of the block. He said that having outdoor seating was highly valuable not only to the merchants but to the patrons they served. He wanted to touch on the lane reduction trial and how that related to congestion. He asked if some congestion was good stating that it was counterintuitive, but congestion allowed for slower traffic, which was safer for pedestrians and cyclists. It allowed passersby to window shop and increased the exposure of businesses. He hoped the City wasted no more time, energy, or money with a trial.

Jon Porter said he was in favor of the project and moving forward on it as quickly as possible. He was the Vice President of the Palo Alto Central Homeowners Association. He said that the overwhelming majority of residents he spoke to were in support of the program. As the only community on California Avenue of any substance or size, he thought that carried a degree of weight. The residents used California Avenue daily as a pedestrian walkway. He said that the biggest point of contention was one lane versus two and whether or not there was a trial. He said that having traveled the street frequently it was already one lane, or at best one and a half lanes. He said that no one traveled the street side by side; everyone traveled single file. He told Council that they already had a two lane road; they just had not officially made it as such. He said that there were not going to be changes in traffic patterns as the road was already operating that way. He urged the Council to move forward as fast as they could and said it was a beautiful project.

Terry Holzemer said he was a 20 year Palo Alto resident and hoped that beginning that evening there would be a new cooperative approach involving the merchants of California Avenue who would be most affected by the changes. He said that there was a major disconnect between the merchants and the City since the project began. More than a year ago there was a petition of over 300 local residents that was provided to the Council outlining the community concerns about the lane reductions. Additionally last March the City sponsored a meeting with the merchants where a vote was taken.

MINUTES

A clear majority of the merchants voted against the lane change. Most of the merchants felt that the City was not taking their thoughts into consideration. He recommended the City consider a trial because a trial would provide the merchants an opportunity to have some say on what happened to California Avenue. He thought too much of the conversation was one sided and the merchants had not had an opportunity to have their thoughts considered. He said that it was mentioned that night construction might be a good thing. He lived on California Avenue and felt night construction was not a good idea.

Margot Goldberg lived in Palo Alto Central on the corner of California Avenue and Park Boulevard for over 20 years. She urged the Council to approve a trial for the project. She said that a trial was a win-win situation for the Council. If they did the trial and it was found that there was no congestion, no angry motorists, no children knocked off their bicycles by angry and impatient motorists, then they had a plan. However, if there was congestion and other negative aspects then it was still a win for the Council because they prevented spending over \$2 million of taxpayer's money. She said that whether it was a grant or city money it was still taxpayer's money. She urged Council to do the trial, but not to do it during the summer because the traffic was different due to the schools and Stanford being closed.

Martin Bernstein said he was speaking as an individual, not as a member of any group or board. There was much discussion about simple data collection and he thought a simple way to get data on the impact of traffic movement when the cars were backing out of 60 degree spaces or parallel parking spaces was University Avenue. From El Camino Real to Park Boulevard was approximately 1,000 feet. From High Street to Webster Street was about 1,400 feet which was nearly equivalent. He suggested having someone measure the time it took and compare that to California Avenue. He also liked the comment made by a previous speaker about how California Avenue was already functioning like a one lane road. He said that he never saw two cars across so it felt like a two lane. If he was a merchant, the truest test would be what impact the program had on his annual sales and noted that he did not hear any of the merchants from any of the other avenues saying that they wished they had four lanes.

Stephanie Grossman said she was not going to speak that evening, but then Council Member Klein said several things that made her think. She had an office on California Avenue and Park Boulevard and had been there since 1986. She said that she could never pass a car when a car pulled out of a parking lot even though it was a four lane street and that would not change whether there were two lanes or four lanes. She thought having wider sidewalks and outdoor seating would add a vibrancy that you would not get

MINUTES

in any other way. There was not much traffic on that street. She had been commuting since 1986 from Community Center to California Avenue and before that she lived in New York so she understood real traffic. The only thing she was concerned about was trucks and loading because every once in a while you had to go around a truck on the street. That was the one issue Council had to address because there could be a problem if there was a truck on each side. If that problem was solved, she thought it was fine. Her office was on the second floor of Palo Alto Central and that retail could never succeed on the first floor because there was not enough traffic. She thought that if they had a pleasant enough walking street it might add people and urged the Council to pass the project.

Rita Vrhel supported the trial because community buy in was very important. She thought the merchants on California Avenue were what made California Avenue. She lived on Channing Avenue and never drove to University Avenue because she felt it was more for people visiting the area. She said that she used the side streets and was concerned as to what would happen if they used Cambridge Avenue more. She said that she volunteered at the Bargain Box and it was not just the merchants that had concerns regarding the lane reduction. Several patrons thought that as well. She agreed there was significant misinformation on both sides. She came to the discussion later and the reason she was there was because the paper said Staff had equal weight with the community related to decisions made by City Council and she disagreed with that. She urged the Council to hold the trial.

Joy Ogawa said she was also not planning on speaking, but she was watching the Council meeting on television and if she had heard Mr. Bernstein speak she probably would not have come in because it was objective criteria and it seemed obvious to her that sales tax was measurable and was data that was collected and shared with the City already. Staff had made a point that they were adding four parking spaces, but that did not include the loading and unloading zones which were currently provided by the two extra lanes. If they provided loading and unloading spaces she wondered what that would do to existing parking spaces. She thought that was a concern.

Jack Morton said it seemed like a good portion of the City Staff was bent on applying for a grant to fund lane reductions that many in the community did not just oppose but vehemently opposed. He understood that the grant was funded by federal pass through congestion reduction funds. Most of the merchants did not believe that the project would reduce congestion, but would significantly increase it. Federal funding generally required community input, not of the sort conducted by the Staff which had been basically to tell the merchants to accept the plan, but rather to prove that

MINUTES

federal funds would be used in a way that had wide community support. He said that competent well-meaning professionals were not always right. He said that recently the City reconfigured the lanes in front of the library and that too was canceled quickly. If Council's concern was to ensure that the grant was approved he thought that the trial was their insurance because the MTC had already put approval of the project on hold pending resolution of the concerns of the merchants. Those concerns would not be reduced until something established that they were wrong and the City was right.

Council Member Shepherd said that the way she understood it, changing the angle of the angled parking would lose inches across and meant that if there was a trial that was paved and striped they could not revert back to the current configuration. She asked if that was correct.

Mr. Rodriguez said that it was not the angle of the parking or the inches but the depth of the restriped lane. He said that they would always retain the 60 degree parking configuration, but the depth of the spaces were deeper.

Council Member Shepherd said the car would be more vertical in the space. She confirmed that to return to a four lane configuration they would then have to have one side of the street parallel parked, which would lose parking spaces.

Mr. Rodriguez said that could be an option but the likely option if they wanted to retain the four lanes was to narrow the sidewalk.

Council Member Shepherd said she assumed narrowing the sidewalk was very expensive. She said that the grant dollars they lost from the VTA occurred because they timed out. She remembered that because she was subbing on the VTA as an alternate for Council Member Price when that decision came down. The VTA had to use the money or lose it because they were federal dollars and the grant eventually went to sound barriers on one of the freeways. She asked what the status of the new grant was.

Mr. Rodriguez stated they never lost the grant. The City voluntarily deferred the funding until another grant cycle became available and that was what was currently happening. The VTA approached Staff knowing that there was litigation and concerns within the community and asked Staff to defer the funding so it could be moved to the VTA highway project at 101 and Tully Road in San Jose and when the next grant cycle came available they would return the funding, which was exactly what happened.

Council Member Shepherd said the City worked with VTA because if they did not redirect the funds they would have lost them. She said that the three

MINUTES

things she heard from the merchants was that they wanted a trial, they wanted access without backup particularly at the El Camino Real entryway, and they wanted more parking. She asked if Mr. Fehrenbach had worked with the merchants to put together a broader parking assessment district or something in order to move forward.

Economic Development Manager, Thomas Fehrenbach said that he had spoken with many merchants regarding parking and had worked mainly with Staff as they tried to develop the additional parking options for California Avenue. They also looked at better utilization of technology to take advantage of the existing parking that they had.

Council Member Shepherd thought that was an outcome in this situation and that they could certainly partner better. She knew there had been a transition from CAADA to the Business Association of California Avenue (BACA) in order to begin to have a more meaningful ability for the City to communicate directly with a body on California Avenue. She felt that was what was lacking in the discussions related to the project. The first or second time Council approved the grant dollars Vice Mayor Scharff asked Staff to return to Council with expanded enhancements. If she remembered correctly there were four different scenarios and this one was what Staff came up with. It increased parking by four spaces. If the City had restriped and done no other enhancements there would have been 14 spaces captured, but 10 were lost in the process. She said that people on California Avenue might not know, but the City counted parking spaces at \$67,000. That was the cost to build a parking space, so losing 10 spaces was quite a bit of money. She said that either way it appeared they could not return to four lanes without losing many more parking spaces by putting parallel parking in or reducing sidewalks, which was another construction project, and she had not heard anything that evening that allowed her to think that that was an acceptable way to go.

Mr. Keene clarified the proposal before the Council would increase the parking on California Avenue by four parking spaces over the current four lane configuration. There was an improvement in the parking based on the direction the Council gave Staff and in the plan before the Council.

Council Member Shepherd confirmed that was after they provided the three loading spaces.

Mr. Keene answered yes.

Council Member Shepherd confirmed that Staff was still willing to be flexible and work with the merchants to locate the loading areas in ways that would

MINUTES

not interfere with business by someone always having a truck in front of their shop.

Council Member Burt said he was on the P&TC for nine years and had been on the Council for almost five. He did not think he ever encountered a project where there had been so many misrepresentations disseminated. When people heard claims they tended to think there was some truth to them. One of those was that the City had not been responsive to the issues. Over a year ago one of the issues brought up was that if they were going to do the project they were not getting sidewalk widening. Council Member Holman pushed hard and a number of Council Members supported that and the project returned with really significant sidewalk widening. Then there were explicit claims that there were going to be reductions in parking. He said that once people were upset over falsehoods it was hard to let go. There was actually going to be an increase in parking, not a decrease. The statistics were not even a close call; if they were he would favor a trial. He said it was so far away from that and that was only on California Avenue. They had not discussed the capacity of the side streets such as Cambridge. He looked down Cambridge every day and there was hardly a car on it and that was a wide street. He already took Cambridge because it was easier than California Avenue. Staff was attacked at a public meeting because they could not cite exactly how many of the merchants did not have alleys. That was seen as conclusive proof that the Staff had not analyzed the project. The answer really was that there were almost no merchants without alley access. He stated that the plan added loading spots where they did not currently exist. He said that there was another claim made that the City was only doing a two lane design because of the grant. The truth was the City had been supportive of two lane designs for a long time and formally CAADA was a strong supporter of the two lane design. He also heard that the issue was with bike safety, but they heard from the bike community and experts that they supported the project. He said the plan was sound design and he had never witnessed such a set of misrepresentations and irrationality on a project in the City. He thought the one remaining thing that was a legitimate concern was the construction impact and that the City would have to work very hard on that. There were many great long term gains, but the construction impact was legitimate and they were going to have to work very hard on that and that was where they needed to place their focus.

MOTION: Council Member Price moved, seconded by Vice Mayor Scharff to approve the proposed California Avenue Transit Hub Corridor Streetscape project street alignment, including sidewalk widening and plaza design, and direct Staff to continue the final design.

MINUTES

Council Member Price felt the project illustrated how the City could truly make California Avenue corridor even better than it was, more attractive, functional, and something that was consistent with the City's policies and interest in things such as the Cool Cities Initiative. She said that it was a different way to provide an enhanced environment for residents, merchants, and people who provided street level activity. If they came by car, foot, or bicycle the fact was that street activity was a core principle related to enhanced economic activity on the street. One of the difficulties they faced was the issue of the recession and the impacts on merchants which the City was sensitive to and understood. The project provided additional public space, landscaping, more canopy which cooled the area, parklets, opportunities for people to enjoy the area, and for people to stay longer and utilize the resources. She said that they appreciated the services along the California Avenue corridor. The proposal provided additional seating for restaurants and an experience that people wanted to have. She agreed with several of the speakers that said slowing down traffic, which they did not know would happen, provided the ability for individuals to connect with the street. Her difficulty with a trial was that she did not believe it would provide useful and defensible information. She did not think it would be a definitive study that could really address the issues before the Council. There was a long standing need to invest in California Avenue and they had a responsibility to do that. The other issue was that she thought they needed to ask the Economic Development Manager and other members of Staff to accelerate business promotion for California Avenue. That was a long standing concern that had been expressed and she wanted that to complement a preconstruction aggressive comprehensive outreach along California Avenue. She looked forward to the improvements and thought the fountain area in the plaza and other project elements had great merit. The proposal was well designed and articulated and she thought the outcome would be fantastic.

Vice Mayor Scharff thanked the merchants for meeting with the Council Members. He said that he met with them the past week and appreciated their concerns. He understood why the P&TC made their recommendation and said that Commissioner Keller explained it well. He stated that he had his office on California Avenue since 2000 and visited all the merchant's establishments. He really liked California Avenue and on a personal level was absolutely convinced the project would enhance people's businesses and make things better. That did not mean that he thought the merchant's fears were not legitimate. He understood that a small drop off in business was a big concern, but he did not believe a trial was needed. When he met with the merchants he heard that access off El Camino Real was the real concern but he also heard about the slowing of traffic. He agreed with Council Member Price and others that slowing traffic was a good thing for retail

MINUTES

because of window shopping. He thought they could lose more business during the trial because it would be unattractive, would block off the street, and it would not be fun to walk through which could cause people to avoid the area. He thought that some of the things Council Member Burt said were correct and well-articulated. What the City really needed to focus on was construction and minimizing the effect on the businesses with the construction process. He thought Staff was committed to work with the merchants on the details on the project and he asked them to engage Staff on those details. He said that Palo Alto wanted to keep Mollie Stone's. If there were particular things in the process that would help Mollie Stone's the City would love to hear concrete thoughts. He did not think the reduction to two lanes would hurt access at all, rather it would create a much better environment overall on the street. He felt very good about the project and thought it would be a wonderful addition to the area that would revitalize and create more business which would help everyone. He was excited about the project and wished there was not so much fear among the merchant community. He hoped they would all be happy when the project was completed.

Council Member Holman said that if you looked at slide 11 and the concern was really about traffic delays, access, and people being able to get to the merchants, it seemed to her that one way a trial could be done that was less disruptive would be to keep the center line and paint the 15 foot lanes on either side of it. Then again with paint they could put a three foot band on either side. She said that was one lane in each direction and they could leave the diagonal parking where it was. She asked what was wrong with that as a trial and noted that the beautification was not the concern.

Mr. Rodriguez said that if she looked at the left half of the drawing to satisfy the City standards they needed to provide the equivalent of an 18 foot parking dimension for an angled parking space.

Council Member Holman heard that earlier. She said to leave the angled parking the way it was during the trial and asked what was wrong with that. All they were concerned about was the two lanes. She understood it did not satisfy the standards, but they were going to change it so they could make it conform when they did the bigger plan.

Mr. Keene said that one speaker mentioned that from that perspective that was the way things currently operated. He asked what that trial would tell them.

Council Member Holman said she was getting there, but she wanted to know what the problem was with leaving the parking as it was for the trial.

MINUTES

Mr. Keene said there were many people who came to California Avenue that would never know about the trial or what it was and it was not necessarily going to be clear what was happening. Therefore they had to get to what the outcome was that they were trying to measure for the trial to be meaningful.

Council Member Holman said she would get to that. She said that if people did not know there was a trial there would be no difference and they would have proven there was no impact. She questioned what the problem was with a trial and why her plan was unreasonable.

Mr. Williams said the issue was ultimately about what they were trying to measure and what the success of the trial was. He said that they could do what she was talking about but he thought it would create confusion and that there would be a gap between the stripe and the parking and people would not know what that area was. Someone could stop there and people would try to go around on the right, which was not the way it would function in reality. It was creating a false situation. He thought that ultimately the merchants would say that the City had not measured the trial because it was not really bringing the cars out as close as they would be to the travel lane. It measured a situation that really did not replicate the proposed traffic pattern.

Council Member Holman said she had a hard time understanding that because it seemed to her that if there was a three foot wide painted barrier it was not hard to understand.

Mr. Keene said the trial had been undefined. He had a hard time given all of the discussions spending any City money in directing Staff to do any work without linking it to some specificity about what outcome was desired. It was hard for Staff to answer the first question without the second question being answered.

Council Member Holman agreed with that. She said that comments were made by colleagues about fear. Fear was a great motivator. However people had come to where they were and she thought there was a legitimate concern by many people. Since the California Avenue tree cutting was not that far in the past there was the semblance of a trust issue. She also thought that when things were off track in the discussions it was very hard for people to hear each other. She knew Mr. Williams did a great job with community members but it seemed as they had gotten off on a wrong track and people were not hearing each other. She was trying to come up with some way to connect the community and if they took out the mid-block

MINUTES

raised sidewalks that almost paid for a trial. Doing a trial was an investment in the relationship with the merchants. Many of the merchants were local independent businesses that did not have a buffer like some chains. With local business it was not just a business it was someone's life so it was very important to honor that. She did not think Staff felt differently. If it seemed her suggestion was reasonable way to design a trial then Staff could meet with the merchants and agree on specific criteria as to what would be success. If agreement could not be reached on the criteria then the City would continue with the plan. On the plan she agreed with colleagues and thought it was a very good plan that would be successful and a boon to the community. She was concerned about the relationship and the trust factor.

Mr. Keene understood and appreciated the intention, but he did not think that it was the Staff's role at that point to try to fathom what the outcomes of a trial would be when they did not see what the benefit was. That was for someone else to get more specific and let Staff know. He said they dealt with this with the Council all the time. He guaranteed that if he brought Council a suggestion of doing a trial on something with the amount of data presented Council would request more specificity. He said that if it took an additional five seconds to back out of a parking space the question was what did that mean. He asked how Staff measured what that meant and said that it was not fair to anyone to engage in a trial without more understanding of what the criteria for the outcomes were because they would just be back at Council again looking for more clarity that they did not have going into the trial.

Council Member Holman said that she was perhaps not communicating clearly because she was suggesting that Staff meet with the merchants and have the merchants present what they needed to see to determine whether they thought it was a successful trial or not. They were asking for input from the merchants on specific criteria.

SUBSTITUTE MOTION: Council Member Holman moved, seconded by Council Member Schmid to direct Staff to meet with merchants to establish specific criteria to measure success for a trial of traffic only utilizing the existing parking configuration and striping that layout 15 foot wide travel lanes, one in each direction, and 3 foot colored bands on the outside of each 15 foot lane, if measured criteria cannot be determined, the City will move forward with the plan.

Council Member Holman thought the plan would be successful, but where they were right now was about relationship, trust, and developing support in an ongoing fashion with the merchants on the street.

MINUTES

Council Member Schmid said Council discussed the item in October 2011 and what came before them then was a \$1.2 million grant from the MTC for street changes, lane changes, crosswalks, bulb outs, and there was frustration at the Council when it was said that the real frustration was what the project did to pedestrians. He thought one of the speakers that evening had said that the real people they were focusing on were pedestrians. That was ultimately the vitality of the street. He thought Staff's response to Council's direction that evening to think about the pedestrian spaces led them to a much improved proposal and finding \$700,000 to spend on it. The project improved by going through the public process of building things and adding things. He thought Council Member Holman made a good point that as the City moved forward it was important that they did so together. A short term trial was a fairly simple request that did not interfere with a timeline or the grant timing and was straightforward in terms of measure. He gave the LOS as an example. There were many people who made the case that there was not going to be much change because there was leeway. A trial would get the community moving ahead together to do the operational planning. He heard merchants say that if they received data from a trial that said there was not much change they would work with the City to make the project work. That was what everyone wanted. He said that a quantitative, measurable, simple trial containing the loading zones was straightforward. History showed that the public process helped them learn. He supported the Substitute Motion.

Mayor Yeh asked what the timing was so there was no disruption of the original Motion.

Mr. Rodriguez said that the timing focused around the current grant. The grant became available to the City in the fall and provided a two year period to expend the funds. He said that they needed a year to finalize the remainder of the design and award the project. Then there was one year of construction. There really was no time for a trial as any trial would potentially hurt Staff's ability to deliver a project to the schedule of the grant.

Mayor Yeh said that was helpful and that he had asked about the trial and feasibility in the past. He did not see the level of disagreement that currently existed as tenable between the City and the merchants. It was time well spent to identify the best way to decrease the disagreement, whether or not it was the original Motion or the Substitute Motion. It was helpful to hear that if they did the Substitute Motion they put grant funding at risk. However, what was more helpful to hear was how the City would move forward with the design phase that fully integrated the business community in a way that allowed for maximum input. The other thing he

MINUTES

thought was regardless of four lanes or two lanes the concern about future development was the basis for some valuable discussions with the business community. He thought it focused on peak hour, the commutes, and rush hour around Caltrain. If Caltrain intensified that was a long term consideration. He was not sure how they could model that out without stopping the project completely. What was necessary was an ongoing discussion with the merchants. The City needed to say that there was X square feet planned for a priority development area for the avenue and how it worked with the two lane configuration. That was a necessary conversation to have with the business community and related to the peak hours as well, which were separate from the commute as they centered on lunch and dinner. He thought that good discussions and planning benefited everyone in the long run. He understood the trust concerns and knew there was a difficult recent history with California Avenue which could not be discredited. He shared the idea with Staff for the Council Members to take field trips to other cities with merchants to see what was happening in other cities with the shared lane and to see it during peak hours. The more opportunities there were to talk, the more it would be made into an iterative process, which was the intent of Staff under the original Motion. Because of what Staff shared regarding putting the grant funds at risk he was confident that there would be an iterative way to approach and work with the business community. That was essential following the evening's loud and strong expression of concern. He was not able to support the Substitute Motion but was looking forward to Staff's ideas on concrete ways the City would engage the business community.

Council Member Klein said he would vote against the Substitute Motion and for the original Motion. He thought it was a good project and that it had been improved greatly by the discussion and process. He regretted that there seemed to be a lack of trust between members of the business community and the Staff, but believed that the Staff had listened to the business community. The Staff did not agree, but that was part of the process. He did not see a traffic problem with the project and referenced slide 20 and how little traffic there was on California Avenue compared to the other streets. He said that a doubling of traffic was a remarkable change to a street and he did not see that happening on California Avenue. Because California Avenue was a dead end people said it was different than the comparable streets. He agreed that it was different, but believed that meant it had less traffic and not more. There were no cars that could use California Avenue as a through street and that was not going to change. He had lunch on California Avenue once or twice a week and dinner there once or twice per week, he ran errands there. He had firsthand experience with the street and did not believe congestion to be a problem at all. The speaker that mentioned he never saw two cars abreast on California Avenue

MINUTES

was correct. All those things led him to believe that little was to be achieved by a trial. It was politically expedient to have a trial because people wanted a test, but he was concerned that it was not clear what would be tested. He waited in vain for any speaker to specifically say what should be tested or that they understood that they could not have the improvements without the lane reduction. The trial had no criteria and he was not persuaded that was really the concern of the people who opposed the project. He thought there were a series of concerns and wondered if they had the trial and there was criteria then there would be something else mentioned as the problem. So while the trial was politically expedient it was not a good use of taxpayer money. Whether it was \$50,000 or \$100,000 that was not insignificant and he could not vote for tests that were only justified by political expediency. He did not believe that was how the citizens wanted the City spending their money. For those reasons he was voting no on the Substitute Motion but yes on the original Motion. He thought it was a great project and a good expenditure of City funds. He was pleased about the grant. He asked when the project would be complete.

Mr. Rodriguez said it would be complete in fall of 2014.

Council Member Klein said that he thought everyone would be happy with it in 2014.

Council Member Espinosa said that a former Mayor had advised him that after every vote 50 percent of the community would believe that he was wrong. He was also advised to do his homework, be fair, make sure his analysis was based on facts, and listened to the community. He had tried to do those things. Like his colleagues he took pause and had concern when he heard from large segments of the community that they felt they had not been heard or that they were being ignored. For him that was especially hard when it came from the business community having served on the Chamber of Commerce and being involved in business for many years. He believed the Council took all of the issues very seriously and had listened and wanted to make sure concerns were addressed. That did not mean that everyone was always going to be happy with the result or the answer. He took issue with the constant chime of people saying that they were not heard. Staff and the Council had taken the time to listen to the concerns raised and addressed them. For a decade he worked up the street from California Avenue and so it had a place in his heart. He thought it was a fantastic project that was great for California Avenue and the City as a whole and he wanted it to move forward quickly. He was voting against the Substitute Motion and in favor of the original Motion.

MINUTES

Council Member Shepherd would not support the Substitute Motion, but at the same time she had come prepared to support a trial. She met with the merchants earlier in the day and they were in complete angst and were very distrustful of Staff. It reminded her of how complicated it seemed to have civic engagement work right in the City. There was a study session in 2010 and Staff asked for information on what Council was looking for on California Avenue. Staff got the grant accepted and brought it to the Council. The Council voted 9-0 to accept the grant meaning that Staff would work on reducing the lanes. Four lanes was no longer an option because Council had voted that way. Staff operated with the majority of Council. She thought there was a huge misunderstanding that there was still an option to do four lanes. It had not been an easy to navigate process for citizens which distressed her because she found speaking to elected officials in the Brown Act environment intimidating. She wanted to explain how she reached out. To say that she had not heard the citizens concerned her because she had asked the questions. She said that Mollie Stone's could convert to condominiums if the City went forward with the project, but they could do it anyway. It was a free market economy. The City tried to shelter JJ&F Food Store, which did not work well for the community. They had two shopping centers coming back online that they had missed desperately, the one at Alma Plaza and the one at Edgewood. She thought that Mollie Stone's was the largest complete grocery store they had in town. She truly had concerns about keeping Mollie Stone's. There were 82 new units coming in down the street with the Holbrook building Council passed a few weeks prior. She explained that LOS D, which was right before F when an intersection failed, was the current situation at Churchill and Alma. She lived there and traveled it often and knew what a D looked like and that it could go to F in a moment if the crossing guards were redone. When she looked at the traffic on California Avenue, which she agreed was basically single file, there was no traffic. It was just cars driving down the road. When she rode her bike on California Avenue she usually had all four lanes to herself. That was not what Churchill and Alma looked like and she did not believe a trial would show a level of D. There was not enough traffic going through California Avenue. She liked how comfortable the four lanes were but if they restriped and resurfaced the street it could not be put back to its current striping. No one explained how that could be done without reducing sidewalks or parking spaces. She was very concerned about the entry way from El Camino Real onto California Avenue. If they got that wrong and it backed up onto El Camino Real and people could not access California Avenue because of traffic she wanted to know how flexible the City could be to reconfigure that area. She asked if Staff had a plan for that or if they were confident the plan was going to work.

MINUTES

Mr. Rodriguez said the design before Council that evening tried to respond to those concerns. They originally had angled parking and the early feedback from the merchants and area visitors suggested they not have angled parking so traffic would flow. It was the equivalent of an 18 foot area with a 15 foot travel lane and a 3 foot gap. It was much more convenient for traffic if someone was waiting for someone to head out of a parallel parking space on the first block to just go around them on the left side versus if it were angled like the rest of the corridor. For that reason they listened to the community concerns.

Mr. Keene said that sounded like a good solution. He asked if Council Member Shepherd could turn on other streets.

Council Member Shepherd said she rarely used El Camino Real.

Mr. Keene said that he knew people's practices and they would turn on Sherman and then turn on Ash Street or another street. Everyone did those sorts of things if a pattern emerged.

Council Member Shepherd wanted to make sure that the City stayed close with the merchants on that because it was one of their clear angsts. She knew they wanted a trial but she could not go through that without having an understanding of how they undid the trial. There was no way to put the street back to its current state. She said that the North County Courthouse was on California Avenue and was a huge destination. She asked if they had tried to embrace that in their schemas and planning to make sure that people were walking from there down to California Avenue. She said that they talked about putting the Police and Safety Building on Park Avenue, so there were destination points in the area. She asked if they had looked at enhancing that connectivity to North County Courthouse.

Mayor Yeh said there was as Substitute Motion and an original Motion. He appreciated the question but there were several Colleagues who wished to speak to the Motions.

Council Member Shepherd said she would not speak again and that was why she had tried to wrap up her comments. She did not believe that the City was doing anything between California Avenue and Park Boulevard.

Mr. Williams said Park Boulevard was not right at the Courthouse but it was receiving a major pedestrian and bicycle upgrade as part of the Bike Boulevard and the California Avenue Area Plan. He thought they would look at other connections as part of the California Avenue Area plan outside of the context of the street specifically.

MINUTES

Council Member Shepherd suggested Staff look at the spots and incorporate them in future plans.

Council Member Burt was not going to support the Substitute Motion. He did not believe the trial was necessary, effective, or productive. He thought it would yield unclear results and by its nature accentuate the negative and minimize the positive. He thought the overwhelming majority of people who were advocating it intended to use it as a tool to try to defeat the two lane proposal. With the exception of Mr. Eakwall he did not hear any of the proponents of the trial really say sincerely that if the results demonstrated that there was more than enough road capacity, which they already had overwhelming data to show, that then they would accept the plan. He said it was really a tool and the leadership of the opposition had used every tool they could think of to try to defeat the plan from lawsuits to spreading misinformation on it and the trial was just a new tool. It really did not come up as something they advocated until just recently when some of the other tools failed. There were some merchants that he trusted were open minded and wanted to see the data from the trial to finally convince them, but for those who had looked at traffic situations over the years, this one was not a close call. He said that those words might not reassure skeptics, but if he thought that the trial were truly intended as an open minded process to attempt to determine better means to address the program he would say that they could look at it, but that was not what he thought had occurred. Council needed to make the decision based on what they believed was in the overwhelming best interest of the community and of the commercial district.

Council Member Holman clarified that earlier when she said that she did not know where communications had gone awry because she knew Mr. Williams to be very good at that type of thing it was not a slight to Mr. Rodriguez, it was just that she had a very long relationship with Mr. Williams. She wanted to publicly say that. She said that slide 17 listed the P&TC recommendation. She found it frustrating was that their recommendation was for a trial and there was no indication that a trial would interfere with the feasibility of the plan. That was specifically the point that was made in the P&TC minutes and she read the section about how the trial was not to delay implementation. She said that it had seemed to her that phasing was an option so there was a miscommunication. Out of principle she was supporting the Substitute Motion. It at least indicated her desire for the project.

SUBSTITUTE MOTION FAILED: 2-7 Holman, Schmid yes

MINUTES

Mayor Yeh returned to the original Motion. He thanked Staff for their efforts and the said the amount of time put in was significant. He thought that would only intensify as the process moved forward. There was a deficit of trust between merchants and the City and it would take a concerted effort to work with merchants. He thought the project was a great vision for California Avenue in the long term. Having a clear vision and a program that would continue to make California Avenue a destination did not make it easily digested by those currently on the street. He thought that with the area development plan coming forward in the fall it was essential that there were meetings with the merchants before it came to Council. He wanted the design phase of the project incorporated into a broader discussion with the merchants. That was hopefully a step forward to really incorporate the kind of development discussed by the Council for that particular region.

MOTION PASSED: 9-0

~~23a. (Former Agenda Item No. 20) Consideration of a Vote of Support for the Revote High Speed Rail Initiative.~~

MOTION: Council Member Klein moved, seconded by Council Member Price to continue Agenda Item No. 23a to September 4, 2012, to be the first Action item heard.

MOTION PASSED: 9-0

23. Public Hearing: Proposed Revenue Increases and Expenditure Reductions for Animal Services.

Pam Antil, Assistant City Manager, said that the Council directed Staff to work with an Animal Services stakeholder group to bring a series of recommendations on how they could close the gap on the proposed budget to expenditure reductions that were needed. Staff had three meetings with the Animal Services stakeholder group. They would bring back some additional information to the Council in the future, but because of the need for revenue changes Staff wanted the public hearing that evening so that they had a longer period of time during the fiscal year to benefit from increases in the fee schedule. She hoped Council had received the answers to the questions they asked earlier in the day.

Mayor Yeh said there were two public speakers.

Public hearing opened at 11:42 P.M.

MINUTES

Leonor Delgado said there were three areas of concern she wanted to address. First the proposed schedule of fees for Fiscal Year 2013 with particular attention to the increased fees for non-residents at the spay and neuter clinic. She said residents of wealthier neighboring cities such as Atherton and Menlo Park seeking a bargain would continue to get a good one under the revised fee schedule. She was concerned about residents of East Palo Alto, East Menlo Park, and other unincorporated areas of San Mateo County who depended on Animal Services and would be adversely affected by increased fees. Increased fees could affect a person's decision to spay their animal, which could dramatically increase feral animal populations. She said the fees increased at the Animal Services spay and neuter clinic were not competitive with those charged by low cost clinics which rescuers and low income people frequented. The spay and neuter fee increases would negatively impact rescue groups operating outside the contracted cities. She said that peninsula nonprofits would need to dispense a larger number of spay and neuter vouchers to low income users, which would deplete them earlier in the year. Second, she was concerned that higher adoption fees could result in animals staying at the shelter for longer periods of time, not freeing up space for other adoptable animals.

Mayor Yeh said that further comment could be provided to the City Clerk and would be distributed to the City Council.

Luke Stangel said three and a half months ago the Palo Alto Animal Shelter faced a bleak future. Today they had a brighter future. The proposal was a mixture of higher fees and laying off two people. He explained he was a stakeholder group member, President of the Friends of the Palo Alto Animal Shelter, and he thought higher fees were appropriate. He asked that the City Council consider closing Animal Control Officers positions through attrition rather than laying off. Avoiding the layoffs through attrition helped the department retain its institutional edge while balancing the budget in a more humane way.

Public hearing closed at 11:48 P.M.

Council Member Holman said that the Staff report indicated the stakeholder group met once with Staff, and the question's response stated there were three meetings. She asked what the stakeholder group's reaction was to the proposed fees, or if the stakeholders were provided with a schedule of fees to which they could respond.

Ms. Antil apologized for the confusion. There was a revenue subcommittee. They asked the stakeholders at the first meeting to volunteer because they knew it was something they needed to work on quickly. She said that they

MINUTES

had representatives from the Palo Alto Animal Services Shelter and from the Silicon Valley Human Society, the Palo Alto Humane Society, and others. Several of those members met with Staff and looked at the averages in the City as well as non-resident fees that shelters charged around the area. There was a conversation and discussion about if that would drive away people. She said it was the group's consensus that they move forward. They were challenged to balance the revenue enhancements with other reductions. The stakeholder group agreed with Staff that it was better to raise some of the out of area fees than to further reduce Animal Services Staff. She said that when you examined the out of area fees they charged they were still mid-line compared to other areas and were quite a bit lower than the private sector. They believed there could be a drop off, but they were looking at marketing the fees and getting more folks into the spay and neuter clinic. She said the stakeholder group was still meeting and searching for additional ways that they could enhance services and market in other areas. They wanted to present the fee increase to Council sooner so that more of the fiscal year benefited from the increase. Without the increase they had to make more reductions in expenditures.

Council Member Holman said three comparatives were Bay City's, which was in Milpitas, Four Paws, and Silicon Valley Animal Control Authority (SVACA). Those were shelter and rescue facilities, not private sector. When you compared the dog neutering with Four Paws, their range was \$100-170, while Palo Alto's was \$100-325. With dog spay it was \$120-200, while Palo Alto's was \$120-345. There was less of a disparity with cats, but it was still pretty high. She said it seemed that there was a large reach and asked how they would attract people from East Palo Alto or Menlo Park since they were not that competitive.

Ms. Antil said they should have clarified that the \$300-345 range was a non-resident neuter fee that Palo Alto was charging for what they referred to as large dogs. There were maybe three or four large dogs handled per year. She could not speak for the other agencies, but some would not take really large dogs.

Council Member Holman said the Charter said 100 pounds. She said that because the fees were as high as they were, vouchers would not go as far. She asked if the fees were that high and the Humane Society had vouchers would the public go somewhere else to have animals spayed.

City Manager, James Keene said they were instituting the fees in order to get an early start in the fiscal year and test the experiences with the revenues because the budget recommendations were a combination of revenue increases and expenditure cuts. He said the comparison with

MINUTES

SVACA could be a false comparison. It could be that the expenditure unit costs were less so the revenues they had to charge to cover the costs were less. The City was trying to maintain a certain level of service and balance the expenditure costs. This was intended to strike a balance and by implementing the revenues early they had a chance to test that. If they got into the first quarter and saw difficult trends they had the option to make modifications.

Council Member Holman asked when the item would return to Council for a status update.

Mr. Keene said that he did not know that Staff would return with the issue unless they saw that there was a trend problem, whether that was that revenue was not coming in the right way, or some other issue, unless there was a specific directive that came to them from Council in addition to making sure they met the necessary financial numbers.

Council Member Holman said she was interested in the financial aspects but also the number of animals serviced. She asked where fundraising fit into the budget.

Ms. Antil said she wanted Mr. Hagerman to discuss the fee chart further before they discussed fundraising.

Ian Hagerman, Police Department, Senior Management Analyst, said a large proportion of the spay and neuter surgeries done in the City were at the bottom of the fee range. About 75 percent of the dogs spayed and neutered were in the very lowest fee category. The absolute increase in that category was minimal. He said they did a very high volume in cat spay and neuters. If one looked at the entire spectrum of spay and neuter surgeries at the clinic the average neuter fees were \$95.00 and the average spay fees were about \$25.00. The cost for larger animals was more substantial, but the volume of those was almost nonexistent. He said they completed three large dog spays in 2011. Those people paid substantially higher fees at a private veterinarian and some local shelters would not accept those large animals. Staff felt that while some of the recommendations for fee increases were aggressive they were still competitive.

Council Member Holman clarified he was discussing the proposed fees.

Mr. Hagerman said that was correct. He said the numbers represented the average fees for cat and dog spays and neuters across the full spectrum. They averaged it based on volume in Palo Alto under the proposed fee schedule.

MINUTES

Vice Mayor Scharff wanted to address the point made by Mr. Stangel. He asked if there was any indication that an Animal Services worker was retiring. He realized it was a difficult process to go through, but he thought Staff did a good job in creating a plan that worked. He confirmed that the City Council did not deal with the layoffs, it only handled the fees.

Ms. Antil said that was correct, but Staff was also there to provide an overview if anyone had questions beyond what was in the recommendation about what they proposed.

Mr. Keene thought the requirement as it related to the item was that they had to have a public hearing related to the fee portion. They either wanted the Council's blessing on the expenditure reductions, or if they did not receive it they needed to be clear they could proceed without returning to the Council. Part of the schedule was developed to give everyone as much advance notice as possible.

MOTION: Vice Mayor Scharff moved, seconded by Council Member Klein to adopt the municipal fee charges related to animal services, and the expenditure reductions.

Vice Mayor Scharff said he wished they did not have to make the recommendation, but circumstances had dictated it. It was not easy to lay employees off or suggest layoffs. He would rather go through attrition as a process, but did not see it as a viable alternative given the City finances.

Council Member Klein agreed that it was hard to layoff good people. However, the service area had been reduced so it was inevitable. He confirmed that the layoffs did not occur until January 1, 2013.

Ms. Antil said that was correct.

Council Member Klein said that if there were more revenues or donations they could possibly avoid some of the layoffs.

Ms. Antil said that they would return to Council at that point. The Staff report showed a donation they received to cover the cost of a staff member through the end of the year.

Council Member Klein said that was a message to the Friends of the Palo Alto Animal Shelter.

MINUTES

Mr. Keene clarified that what needed to be achieved was ongoing structural savings. If they received donations that offset an expenditure cost in a particular year that would only delay a possible decision unless it was a sustainable donation.

Council Member Burt said the Animal Services Staff had specialized skill sets. He asked if there was a bumping process where the Staff was eligible for other positions.

Ms. Antil said some of the positions may be eligible to apply for additional positions. She needed clarification from Mr. Beacom if Staff could bump someone.

Council Member Burt said that the reality was that just as the City went through significant Staff reductions over the last several years it initially looked like the City might have layoffs, but in the end they had attrition that worked out. He said that was not so likely in a small department, but he wanted to put it in that context.

Bob Beacom, Assistant Police Chief, said there were bumping rights for one of the positions. There were currently three positions. One was management, another was Service Employees' International Union (SEIU) with no bumping, and the third one was eligible. There was a placeholder in the Police Department where they thought one of the Animal Control Officers could go if needed.

Council Member Burt asked if the people were still eligible to pursue other openings within the organization.

Mr. Beacom said they were and that he had been working closely with Marcie Scott to identify any other positions within the City. They discussed the process knowing that these were valuable employees and would do all they could to find positions for them.

Council Member Schmid asked for confirmation of the total number of people working in Animal Services.

Ms. Antil said she believed there were 13 full time equivalent employees. Not all of the people were full time.

Council Member Schmid said the 2.5 positions they were cutting represented approximately 25 percent. The revenues fell 30 percent with Mountain View leaving and the Staff cuts were equivalent to 20 percent. He said what struck him was that they cut half of the Animal Control Officers. He asked if

MINUTES

that was the right position to cut since it was the one that was most immediately on call.

Sandy Sadler, Superintendent of Animal Services said they currently had 3.5 Animal Control Officers in the field. So they cut one full time position which left 2.5 in the field and one in the shelter.

Council Member Schmid said the text said that there were 2 Animal Control field people currently and that there would only be one in the future.

Ms. Stadler said there would be 2.5 left in the field.

Council Member Schmid confirmed that part of that was in the shelter rather than in the field.

AMENDMENT: Council Member Holman moved, seconded by Council Member XXXX to direct Staff to return to Council before the end of the year with: 1) a financial report; 2) the type and number of services performed (spay, neuter, and adoptions trend); and 3) a plan for additional products and services.

Vice Mayor Scharff thought they had too many things that reported to Council. He preferred the item not return unless there was a problem. He thought it was inefficient.

Council Member Holman said that did not give Council an update on the plans for new products and services, which was another way to raise revenues.

Mayor Yeh said the maker of the Motion did not accept the language.

Council Member Holman asked if there was a second if offered as an Amendment. She clarified the language.

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

Council Member Holman said she did not know when Council would hear back from the stakeholder's group.

Mr. Keene said they could do that, but he respectfully reminded the Council that when the group was established they made a very clear point that it was not a task force but an advisory group to the Staff. He thought it was in the City and Staff's interest that the revenue programs work as well as possible and they managed the transition on the expenditure side as best

MINUTES

they could. He said that if anyone came up with a new idea, product, or plan Staff would act on it as they moved forward. He said that with all City services Staff was always making adjustments and recommendations. There was nothing that precluded a stakeholder from directly communicating to the Council at Oral Communications or other ways. He thought if they had relevant information that showed the trends it was normal for Staff to place an informational item for the Council to be aware of things. If the trends were disturbing the Council could schedule subsequent directive and action for discussion.

Mayor Yeh said his comments were in support of Council Member Burt's questions and the Police Department's efforts to work with the employees and look at alternative opportunities within the City. He stated there was a group of Stanford students looking to partner with the Friends of the Palo Alto Animal Shelter. They hoped to launch an online platform. He thought there were potential community partners to work with the Friends of the Palo Alto Animal Shelter to achieve fundraising goals. He felt that as the cost of services increased the fee increase would not cover the cost and it was still a decision by the City to continue subsidizing the services provided by Animal Services. That was a continued affirmation of the value of the services in Palo Alto.

Mr. Keene said that Mayor Yeh made a good point about the cost of services study. It could be Council's feedback and new policy directions that would inform the Staff to revisit what it proposed and make sure it was in line with Council's thinking.

MOTION PASSED: 9-0

COUNCIL MEMBER QUESTIONS, COMMENTS, AND ANNOUNCEMENTS

Council Member Klein reported on attending the Bay Area Water Supply and Conservation Board of Directors meeting last week. The citizens of San Francisco have obtained enough signatures to direct a committee to study ways to drain Hetch Hetchy Reservoir and find another water source. The issue that will be brought to Council after the break as there is concern that only San Francisco residents will be able to vote on this measure and it affects many other cities in the Bay Area.

Council Member Burt requested that the meeting be adjourned in memory of Sally Ride.

MINUTES

Mayor Yeh reported that the flags in front of City Hall have been flying at half-staff and the meeting will be adjourned in memory of the Aurora, Colorado shooting victims.

ADJOURNMENT: The meeting was adjourned in memory of Sally Ride at 12:18 A.M.