

CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Special Meeting October 19, 2015

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:02 P.M.

Present: Berman arrived at 5:05 P.M., DuBois, Filseth, Holman, Kniss,

Scharff, Schmid, Wolbach

Absent: Burt

Closed Session

CONFERENCE WITH LABOR NEGOTIATORS

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

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

Authority: Government Code Section 54957.6(a).

Mayor Holman: Our Closed Session item this evening is a conference with labor negotiators for employee organizations Palo Alto Police Officers Association or PAPOA; Palo Alto Police Manager's Association or PAPMA; Palo Alto Fire Chief's Association or FCA; International Association of Fire Fighters, IAFF, Local 1319; SEIU Local 521; Management, Professional and Confidential Employees; Utilities Management and Professional Association of Palo Alto or UMPAPA. Is there a motion to go into Closed Session or discussion?

Council Member Kniss: So moved.

Council Member Filseth: Second.

Mayor Holman: We have a Motion to go into Closed Session by Council Member Kniss and a second by Council Member Filseth.

MOTION: Council Member Kniss moved, seconded by Council Member Filseth to go into Closed Session.

Mayor Holman: Seeing no hands, all those in favor. That passes unanimously with seven of us present. Council Members Berman and Burt not present. We'll be going into Closed Session.

MOTION PASSED: 7-0 Berman, Burt absent

Council went into Closed Session at 5:03 P.M.

Council returned from Closed Session at 6:17 P.M.

Mayor Holman: Council Members and members of the public, we have returned from Closed Session. There is no reportable action.

Special Orders of the Day

2. Recognition and Acknowledgement of Palo Alto Firefighters for Their Response to Numerous Wildland Fires in California During the 2015 Fire Season.

Mayor Holman: Our second item on the agenda this evening is Recognition and acknowledgement of Palo Alto firefighters for their response to numerous wildland fires in California during the 2015 fire season. Chief Nickel, you have some comments to make.

Eric Nickel, Fire Chief: I do. Good evening. Eric Nickel, Fire Chief. I have some brief comments, because I think this is the most Fire Department heavy agenda that I've seen in years. I'll be here all night, just like you. I would like to start on a note of thanks, and thanking the Council for taking time out of your very busy agenda to acknowledge the work of the men and women of the Palo Alto Fire Department. Today is an especially important day. Today is the 24th anniversary of the Oakland Hills fire. If you recall back in 1991, at this time of the evening several thousand homes had already burned, and several thousand firefighters were up on the front lines. Thankfully this season has not been that kind of structural loss, but this has been a very big, very dangerous wildland fire season. Again, thank you so much for taking time out to acknowledge our fire fighters. I would like to turn it over to our operations chief, Deputy Chief Catherine Capriles who will introduce the individual crews and the fires that they were assigned to.

Catherine Capriles, Deputy Fire Chief: Good evening. Deputy Chief Catherine Capriles. Mayor, Council. This summer has been extremely busy with fires burning up and down the state. They've ranged from smaller fires of less than 1,000 acres to as large as 76,000 acres. As a part of the State

Mutual Aid Plan, the Palo Alto Fire Department commits to providing two Type 1 or structure-style engines for incidents that happen across the state. We've become a part of a Santa Clara County strike team which consists of five engine companies and a strike team leader. The first request this summer came on August 1st, when the Mad River Complex was ignited by lightning strikes and ripped across Trinity County. A fire complex is when two or more individual incidents located in the same general area are assigned to a single incident commander or unified command. Engine 66 responded as a part of this Santa Clara County strike team with Captain Christy Baird, Operator Matt Goglio, Firefighter/Paramedic Jesse Wooten and Firefighter Tim Gaffney. The fire ultimately consumed 37,462 acres with approximately 1,000 firefighters battling the blaze. Engine 66 returned to Palo Alto on August 16th, that's 15 days after deployment. That's 15 days away from family and friends, camping in the dirt, working to protect homes, building fire lines and pulling hose for 24 hours at a time. This was the crew of our Mad River Complex fire minus Matt Goglio. A month and a half later on September 9th, the Butte fire ignited. On September 11th, the crew of Captain Bill Dale, Operator/Paramedic Chuck Ferry, Firefighter Rayne Mahaffey and Firefighter Eric Schill were deployed to the part of the Santa Clara County strike team that headed to Amadora and Calaveras Counties. This fire ultimately burned 70,868 acres, destroyed 863 buildings and killed This crew spent their 24-hour shifts cutting down trees, two civilians. creating fire lines and cleaning up after the fires so that residents could return to their homes, whether they were standing or not. returned to Palo Alto on September 20th, for a total of ten days deployed. The very next day on September 12th, the Valley fire erupted in Lake, Napa Captain Ken Green, Firefighter Manny Macias, and Sonoma Counties. Firefighter/Paramedic Kyle Salisbury and Firefighter Nick Penko joined another Santa Clara County strike team and headed north to help battle this deadly fire. For ten days this crew searched for the missing, fought spot fires and supported back-burning operations on their 24-hour shifts. A total of 1,958 structures were destroyed, four firefighters were injured and four civilian deaths occurred in this 76,067-acre fire. Unfortunately, none of the members of this crew were able to join us this evening. All in all, 12 Palo Alto Fire Department personnel worked for a total of 35 days battling 184,406 burning acres with over 3,000 firefighters from across the state. This is an excellent example of the Fire Service cooperative efforts that allow us to assist one another when we need help. Thank you to Christy, Matt, Jesse, Tim, Bill, Chuck, Rayne, Eric, Ken, Manny, Kyle and Nick for taking so much time away from their families to help citizens across California in a great time of need. Thank you to Mayor Holman and the City Council for recently recognizing the Butte fire and Valley fire teams for their extraordinary efforts in assisting the state against the devastating effects of wildfires. Thank you.

Mayor Holman: I don't know if other Council Members have things that they would like to say or not. Council Member Berman.

Council Member Berman: First of all, you guys, thank you so much from the Council and from all 67,000 members of our community. You might have mentioned this in your presentation. How much heads-up time do you guys get before you're going to be deployed on a strike team like this?

Ms. Capriles: For these three fires, they probably got about an hour or two at the most.

Council Member Berman: That's crazy.

Ms. Capriles: They have a bag that's already ready to go. There's a strike team box that they literally attach to the back of the fire engine that gives them extra equipment that they might need in that situation, that we don't normally carry. They're out the door, and they have to meet up with the rest of the strike team at a designated location usually within an hour of notification.

Council Member Berman: Then to be gone for ten days to two weeks, it sounded like 10 to 15 days. I don't know what I'd do if somebody told me that I couldn't do anything for the next two days, let alone ten days or two weeks. The sacrifice that you guys made is pretty immense, and we really appreciate it.

Mayor Holman: Vice Mayor Schmid.

Vice Mayor Schmid: Just wanted to mention I had a nephew and his family who lived in the middle of the Valley fire, was evacuated for three weeks, something, came back. A special thanks for your efforts.

Mayor Holman: Council Member Wolbach.

Council Member Wolbach: Not much that I can add, except to say thanks. You guys are doing a great job. I know it's not easy a lot. We appreciate it.

Mayor Holman: Council Member DuBois.

Council Member DuBois: I didn't flip my light. I'm just glad to see nobody got hurt. I assume none of you guys did; you all look healthy. I assume nobody got hurt. Also, I think we recognized two teams, not three. If we missed somebody, we should make sure we take care of that.

Mayor Holman: Council Member Scharff.

Council Member Scharff: I just also wanted to add my voice to the chorus of thank you's. It is pretty amazing, as Council Member Berman said, to have to leave on an hour's notice and be gone for two weeks. I saw some of the videos on YouTube. I tell you, I would be really scared if I was up there. I really appreciate the work you do.

Mayor Holman: It was my great honor to get to come to the promotions event recently. It was really quite stunning to see what a family the firefighter community is and to see that this family component, family theory, philosophy and characteristic, I guess, carries forward to beyond our Palo Alto community. As to the firefighter community across the state, I know that Police and Fire units are often deployed to even other states. That kind of dedication—I think what I said at the promotions ceremony is just you're there. You're there for us. You're there for any of us that need help. It's so very much appreciated. Your dedication and your support is immeasurable. With that, I think it was mentioned that we had recognized two of the units, but one unit wasn't able to be here. Let's recognize the third unit right now. Liz, did your light not come on?

Council Member Kniss: Karen, could I add something? I realize I'm Council Member Burt tonight, and that makes it confusing. I'm showing up on a different spot. On a completely different note, I want to mention—Margaret, I've forgotten what your real title is now.

Female: (inaudible)

Council Member Kniss: Sorry. We've known this family a very long time.

Female: It's Deputy Fire Chief.

Council Member Kniss: Deputy Fire Chief. The Deputy Fire Chief and also one of the firefighters are women. It's really refreshing, because I realize that if you happen to have kids or whatever that may be, not that it's not hard on the guys, but it's particularly hard on women, I think, to be gone that long. In addition, it's just great to see women in the force. I know Catherine has been a terrific leader. Congratulations to all of you. I know everybody pulls their weight in exactly the same way. We really appreciate it. Thank you.

Mayor Holman: Thank you. It's a great honor to have you here this evening. If you would extend our appreciation and gratitude to the entirety of the Fire Department, we'd be most grateful for that too. Thank you so very much.

Study Session

3. Potential List of Topics for the Study Session With Assembly Member Rich Gordon.

Mayor Holman: With that colleagues, we go to Item Number 3 which is a Study Session with Assemblyman Rich Gordon. Rich, if you'd join us up here. Welcome. It's a great honor always to have you here, a privilege to have you here for our annual joint meeting. I know you'll have some comments to kick off our discussion.

Rich Gordon, Assembly Member: Thank you very much, Madam Mayor. The Council sent through the Clerk 13 issues for us to discuss. Looking at your agenda, I don't want to keep you that late. What I thought I would do is comment on four of the items that you sent, and then happy to take questions, comments on others, even if they're not on the list. Let me just start and comment that our legislative season runs from January through This was the first year of a two-year cycle. Legislation continues into next year if it has not been acted on by this point. At the beginning of January, some 2,300 pieces of legislation were introduced in Sacramento; 941 of those ended up on the Governor's desk. He signed 808. For better or for worse, we have 808 new laws coming into effect over the next year. I think some key ones in particular as it would relate to local jurisdictions. There was a whole package of legislation passed around medical marijuana which would allow for greater ability of local jurisdictions to deal with dispensaries. There will now be a State registry, a consumer department assigned to the State level to deal with medical marijuana. There's a compromise package supported by the League of Cities and Police Chiefs that, I think, moves us in a direction that we probably needed to move in for a long time, to put some parameters around this activity. The two other bills that were signed into law, that have an impact on local There is a piece of legislation related to electric vehicle charging stations that requires local cities to expedite processing for those or least to develop the criteria for expediting the processing. There also has been a change to the timelines for the approval of wireless stations in local jurisdictions, which reduces the amount of time that a local jurisdiction has if there's a problem with wireless. Those are three I wanted to highlight that, I think, had an impact on local jurisdictions. I would say that, I think, you've heard a lot in the press about the major issues that we dealt with in the Legislature this year including the end of life and childhood vaccinations. There are three major things that we didn't do, that are still on our plate. One is that we have a Special Session that's still open on transportation, that is looking for a way to find a funding vehicle to help us fix both our deteriorating roads and to improve our public transit systems. That Special Session is still open. In order to raise funds, we have to provide some kind

Those are two-thirds votes and very difficult to get in a legislature without a high level of cooperation, and we haven't achieved that at this point. We also have a Special Session on health that primarily is dealing with how to fund indigent health. We are in jeopardy of losing \$1 billion of Federal funding for our Medi-Cal program in California, which is already well underfunded. We'll lose that \$1 billion if we can't find a funding source for a match that is legal. That's also in a Special Session, continuing discussions and work on those two issues. Finally, we also did not adopt a spending plan for cap and trade dollars. 60 percent of the cap and trade dollars are permanently allocated on an ongoing basis to a variety of activities including High Speed Rail, and I'll comment on that in a minute. 40 percent is discretionary annually to the Legislature. We've not agreed yet on what that 40 percent would be spent on in any way different from what we did last year. That's something that we'll have to deal with when we get back to Sacramento in January. You did ask me to talk briefly about Housing Element reform. Let me just comment that there was very little legislation this year in the area of Housing Element and housing law, candidly. Last year, as I worked on AB 1690 which the Governor signed—it's a bill that would allow a multiunit residential to be counted as part of affordable housing, even if it has mixed use. Previously, you couldn't have a mixed-use facility and have any of the housing units count. We did get that That got me in front of the folks at Housing and Community Development, also gave me a chance to talk with them about the work that had gone on locally through a task force that I established with the cities in my district around housing law. With my encouragement and request, the Department of Housing and Community Development has convened a new working group on the Housing Element and Housing Element law. called the Housing Policy and Practices Advisory Group. The ABAG, League of Cities Staff are on this, and there are other representatives of local jurisdictions. They have met three times; they've got a couple of additional meetings scheduled this fall. Information on their work is available online or my office can help provide that to Staff so they can monitor what that group is doing in looking at Housing Element reform. The topics that they are discussing include the RHNA scheduling and determination, public participation, site criteria and default densities. These are, I think, topics that have been of interest in this region. Also asked if I would comment on Airbnb or short-term rental issues and what the State is doing. The State is actually doing nothing in that regard. There was one piece of legislation introduced that would have prohibited local jurisdictions from taxing any short-term rental. That bill was never even heard in committee. There was another bill that would authorize local enforcement ordinances and compel hosting platforms to provide quarterly reports to local jurisdictions. It would have essentially set up a State framework. That bill was moved to the inactive file. It could be considered next year. In general, the Legislature

has kind of taken a hands off and said this is really a local issue. Local communities need to decide how they want to deal with this form of disruptive economy. It kind of fits a pattern. The Legislature also has not taken a lot of action on the disruptive transportation or the transportation network providers like Uber and Lyft. Kind of kept our hands off and said these are all local decisions, local jurisdiction, so far. That doesn't mean that we'll continue to do that. Sometimes the State gets too involved in things that it probably shouldn't, that are better left to the local level. For now, these are not issues that we're currently working on. Finally, let me tell you a little bit about High Speed Rail from the State perspective. The State has provided an ongoing funding source for High Speed Rail through the cap and trade dollars. They have an annual allocation now. It is not sufficient for them to make huge progress, but it does provide enough of a funding stream that it is beginning to draw some private sector interest, no private sector dollars. I think that would be a long way away. interest at least, because they see that there is some kind of more permanent commitment on the part of the State. I will point out two things. One is that the whole cap and trade program and the funds from cap and trade are still subject to a lawsuit, that has not yet been settled or ruled upon. The cap and trade program could be thrown out by the courts, could be deemed to not have been adopted in the appropriate manner. The State could be on the hook for returning funds if the lawsuit goes against the State relative to the expenditure of cap and trade. For now, the State is operating as if it has the legal authority until the court tells it otherwise, and is spending the cap and trade dollars. Recently the High Speed Rail issued a request to the private sector for whether there was interest in High Speed There were 36 expressions of interest received from companies around the world in various forms of participation. Be clear that there's no commitment to contracts or even negotiating with any of these 36 entities. The High Speed Rail folks look at it as if they've got about \$5-\$10 million worth of free consulting from private companies who gave them advice about some things they might consider. Importantly from my perspective, one of the things that I have been working on at the State level is trying to assure that there is a funding source for grade separations. I have submitted a letter; I spent personal time with the Chair of the Budget Committee that deals with transportation, asking that we get specific language in a final cap and trade expenditure plan for this year and ongoing that would clarify that in the rail transportation program of cap and trade that grade separations are an allowable expense as spelled out and specific that would make it easier for jurisdictions to apply for those funds for the construction. For me at least, in this corridor even if we never got High Speed Rail and we only work towards the goal of electrifying Caltrain, we need to grade separate in every single location that we can. We're going to need to get that done. It will be imperative if we have High Speed Rail, but

I think even under electrification we need to get it done. These projects are very, very expensive. I think the State has a role to play in helping to pay for these. I will continue to advocate for that in my role. Let me stop there and take questions in the time you have.

Mayor Holman: Thank you very much. It's a lot of work that you've been up to. We much appreciate your efforts on our behalf. Council Members? Vice Mayor Schmid.

Vice Mayor Schmid: Assembly Member Gordon, thanks for your work keeping the contact between the State and the local communities. I think your comments and the 13 items we have here show the range of issues that are critical for local governments that you've been working on. If I had to just pick out one issue of importance, I guess I'd have to say it was disappointment in the Prop 13 reform. We in local government are especially sensitive that between 1979 and today we have seen in our community the share of property tax paid by commercial properties drop from 50 percent to 25 percent. It's dropping 1 percent per year over the last six or seven years. Property tax remains the most important tax for local government, most important tax for school districts, most important tax at the county level. It's the life blood of local government. Hoping that you can keep that in mind.

Mr. Gordon: Thank you for the comment, Council Member. Let me just say that I am in full support of reform of Prop 13. There were many mistakes that we made in adopting that. We transferred an awful lot of power to the State government out of the hands of particularly school districts and city councils. We set up a system that commercial and business properties relative to residential is differential. We've also created a dynamic that, I think, will come to haunt us at some point. That is the disparity in what individuals in a neighborhood are paying for property tax. I'm fortunate to buy a home in 1985. A young family moved in next door to us last month. They're paying almost 15 times more in property tax than we pay. They don't take 15 times more services from the government. That disparity is also, I think, going to haunt us at some future point in our communities. We need reform. I'm a strong advocate of that and work with my colleagues to try to see what we can do in that regard.

Mayor Holman: Council Member Scharff.

Council Member Scharff: Thank you. First of all, I'd like to thank you for your work on helping us on Senate Bill 350 and getting the Palo Alto provision. We're already at 50 percent; we don't want to be punished in a wet hydro year. I know that was really of significance to us. I just wanted

to say thank you very much for that. I also wanted to ask you a little bit about what the Legislature is thinking about this ABAG/MTC split. I know a couple of your colleagues put in some legislation on that. I thought if you had any thought if it would go anywhere or what your take on that is.

Mr. Gordon: We have a Bay Area Caucus, the elected members of the Senate and the Assembly in the nine Bay Area counties. It's the same jurisdiction that matches ABAG and MTC. We are looking at trying to find some vehicle to hold a hearing on this issue, probably through either our regular committee on transportation or we have a Select Committee on transportation in the Bay Area. I would say that the majority of my colleagues in the Caucus are of the mind that we probably ought to be looking at how to get to one central planning agency for the region. I think we're very split on how you get there and whether it be along the lines that MTC is proposing which is essentially they take over the planning function or whether it would be done through the formation of some brand new entity that would take over the duties of both of the current bodies. something that we're very aware of. The legislation that was introduced by my colleague, Marc Levine from Marin County, was introduced really as a vehicle to allow the Legislature to have some conversation about this. He is more interested in the conversation, candidly, than what the outcome might There is a proposal in that legislation that would require for a new organization to be created, but that the members would be elected by the citizens rather than the current process which allows for delegation from city councils and already elected officials. That proposal I don't think has a lot of support in the delegation at all, but some process of trying to bring something together does.

Council Member Scharff: Do you think the Legislature will be the ones to make that decision or do you think it'll be ABAG/MTC as they work things out and come to their own agreement or it's unclear?

Mr. Gordon: It's unclear. The Legislature does have some authority over the construct of MTC. It has less authority over the construct of ABAG. ABAG was more of a voluntary organization of the various jurisdictions. I think that we're hopeful that there will be continued discussions. I know that with some of my colleagues in the Bay Area today, this afternoon over in Oakland, several of them have a meeting coming up with Steve Heminger from MTC. I know there's discussions going on, and we plan to be actively engaged in some way.

Council Member Scharff: You touched on it briefly, but another topic in terms of Caltrain. I think we would always like to see a separate funding source for Caltrain. It has its own funding source, so it's not at the whims of

how that's run. Frankly, we've talked a lot on this Council about having a reformed governing structure for Caltrain, where we move in somewhat—where cities that have the higher ridership actually have some say in terms of what happens or there's an elected Board for Caltrain or something so that there's a focus on Caltrain. With all the cap and trade money you mentioned, do you think there's any way we can get that separate funding source? This will reduce greenhouse gas emissions.

Mr. Gordon: Candidly, I think it's less likely that we would be able to get cap and trade dollars for a dedicated funding stream for Caltrain. Then we'd have to figure out how to get a dedicated funding stream for several other rail lines including the new one that's going to start in the North Bay, the Metrolink in LA. I'm not sure that we get there, but I think it is possible to get some of those dollars. I hope it's possible to get some of those dollars for some of the infrastructure needs that we need that will improve the system.

Council Member Scharff: Thank you.

Mayor Holman: Council Member Berman.

Council Member Berman: I have approximately 64 questions, but I'll try to narrow it down to one or two. You actually answered a bunch of the questions in your initial presentation that I had. One thing that we've been talking about a lot and we'll be talking about tonight is housing. I think already a certain percentage of cap and trade money goes towards housing, if my recollection serves correct or maybe that was part of that 40 percent that the Legislature has discretion over. What are the odds that that amount get increased and what happened in the Legislature this past year? I think there was a bill in regards to tax credits that the Governor vetoed. What's the hope that some help gets provided?

Mr. Gordon: The news around funding from the State funding help and support for affordable housing is not good this year. The Legislature did approve on a bipartisan basis a tax credit expansion for the construction of affordable housing. The Governor vetoed that. We also had legislation that would have required a two-thirds vote, and we were unable to achieve that threshold for the imposition of a fee on certain real estate transactions that would then be dedicated for affordable housing. Again, we did not get the two-thirds vote. Both of these issues will come up again next year in the Legislature. They are not dead; dead for this year, but not dead in terms of concept. Something we're going to continue to look at. I think the cap and trade dollars for housing are a little bit of a dicey proposition, because with cap and trade you've got to find a clear nexus to greenhouse gas reductions.

Transit-oriented development is really what we funded with cap and trade, because we think we can make the nexus to the reduction of greenhouse gas emissions. Any other housing that is in some place not near transit, some place that we can't really demonstrate that it reduces greenhouse gas emissions, it's hard to use cap and trade dollars for that.

Council Member Berman: There's kind of too narrow of a market almost.

Mr. Gordon: It's probably too narrow for some things we want to do. At the end of the day, the reality is that California as a state has no ongoing stream to support affordable housing. We eliminated redevelopment. We've had housing bonds in the past, and there were funds available in those bonds to support affordable housing. Those bonds have all been spent. The prospect of any new housing bond in the immediate future is, I think, very unlikely given the Governor. We don't have a funding We need one, because the State should be helping local jurisdictions, I think, with the housing crisis that we face in many of our communities. The housing crisis is not universal across California. It has certainly impacted here and in many of our coastal communities, but we are two very different Californians. There's a Central Valley and east California that is very different from the coastal and west California. Their economies are different. We're booming here. The unemployment rate in Fresno is still 18 percent and actually increasing, because of the number of farm workers who are unable to have jobs this year due to the drought and all of the food production activities that are related to that are causing additional unemployment in the Central Valley. While we are kind of living in a boom here, there's still a bust in a large part of California. We used to, I think, talk about the fact that there was northern California and then southern California. I think the new dynamic is it's east and west, and that's where the differences are these days.

Mayor Holman: Council Member Kniss.

Council Member Kniss: Thanks for coming tonight. I always like hearing your large view of California. I remember when you were on NACo or actually CSAC and head of CSAC and you actually visited, I think, every county in California, of which there are 58.

Mr. Gordon: I think I got two-thirds in.

Council Member Kniss: I remember you visited a great many.

Mr. Gordon: Alpine, I just didn't quite get there.

Council Member Kniss: I can see why, especially in the winter. I wanted to ask you, you mentioned cap and trade and the lawsuit, so you might say a bit about that. I want to mention how pleased I am about the vaccination bill. That issue, I think, is enough to make many just scratch their heads and wonder. Lastly, the right to die bill was an incredible step forward, I think. Those two, as you called them, health issues, I see as really important issues for us as a state. I was pleased with that. Before you go to cap and trade, how many laws are on the books in California? You just added 800-plus. How many are there?

Mr. Gordon: I have no clue.

Council Member Kniss: Jeremy's going to tell us later.

Mr. Gordon: We'll find out.

Council Member Kniss: I've always thought that every year we add an innumerable number of laws. I don't know that any have been—have any ever been taken off the books instead of added?

Mr. Gordon: Actually there's been a few periodically are taken off every year, not many. It's only like one or two, so it's nowhere near ...

Council Member Kniss: We have thousands of bills in California. I mean thousands of laws that are passed via bills. If you would say—sorry.

Mr. Gordon: Yeah. Yeah. Liz, they're all over. It's interesting. We also this year passed a law, the right to dry law, which provides some exclusions for homeowners' associations and local jurisdictions to no longer outlaw clothes lines and outdoor drying of clothing. We not only did right to die, but right to dry.

Council Member Kniss: Or not to dry. The rest of that was cap and trade.

Mr. Gordon: Cap and trade, yeah. As part of the implementation of our greenhouse gas program in California, the Air Resources Board established a mechanism where if you are continuing to exceed the standards, you pay a fee for that. That fee is what we're collecting in the cap and trade dollars. The businesses who are being charged that and the California Chamber of Commerce on their behalf sued the State, saying that it's not a fee which requires only a simple majority vote, but it's a tax which would have required a two-thirds vote. That's the issue that's being discussed in the courts. The court will eventually determine whether it was appropriately labeled a fee or should have been labeled a tax. That will determine the future of that.

Council Member Kniss: (inaudible) wanted to make sure that we had that discussion tonight and that everyone is aware of how that may play out. It's very significant in the long term.

Mr. Gordon: Right.

Council Member Kniss: Thanks. Glad to see you.

Mayor Holman: Council Member Wolbach.

Council Member Wolbach: Thank you, Assembly Member Gordon, for being here. Very nice to have you. Following up on the housing crisis that was mentioned earlier. I think a lot of people, frankly, take a very provincial view of housing and the housing crisis, resisting calls to make housing more available in their own community, in saying for instance, "Mountain view is nice or Redwood City is nice. Why can't people just live there?" certainly acceptable for people to be first and foremost concerned with their own community and what they see as unwelcome changes to their own community. This results in a classic collective action problem, where nobody wants to do the work to solve a regional problem. I just think a little bit more about your perspective on this, given that you do represent a number of the cities in the mid-Peninsula region which is kind of the core of this crisis, would be useful. I know that you spoke to the new San Mateo County task force on closing the jobs/housing gap on September 24th. I would just be happy to hear any more thoughts you have about the regional nature of this housing crisis and what you see as shared opportunities and shared challenges and responsibilities.

Mr. Gordon: Thank you for the softball question.

Council Member Wolbach: Any time.

Mr. Gordon: First of all, I think that we have to work regionally on these issues. One thing that's very clear to me is you cannot talk about housing without talking about transportation. You've got to talk about them together. We've got to figure out how to improve dramatically our transportation systems in this region in order to accommodate the people who currently live here and work here, let alone anyone who might want to move here. I think probably the biggest challenge of all is that what we're looking and talking about really is change, change in a community, in our communities in this region. If we improve our transportation, that makes us a little more urban in some ways. If we build higher density to create more housing, it makes it a little more urban. It is a discussion around change which is a very difficult discussion for us to have. Those of us who moved here and live here because we kind of like things as they are, how do we

have a discussion about possibly changing this and yet maintaining the lifestyle and our quality of life? I think these are really difficult discussions, challenging discussions for us, because of the complexity, because of what it causes us to have to think about, stuff that we don't really want to think about oftentimes. As we have those conversations in local communities, I think we need to have it much more broadly on a regional basis and think about these things. I grew up in San Mateo County; I was born in 1948. Where we lived in Hillsboro, there was a field that I used to go play in at the end of our block. It was a huge, massive open space. There was a little seasonal pond there, and we collected pollywogs. I do want to apologize if any of those were red-legged frogs; I did not know a thing about that as a child. Where that pond was when I was a kid is now a stretch of Highway 280. We have changed before, and will we change again, and what will it be like, and how will we manage it and live with it. I think these are probably the most important set of discussions that we need to have as a region.

Mayor Holman: More to come on that one, I'm sure. Council Member DuBois.

Council Member DuBois: Hi, Rich. Good to see you.

Mr. Gordon: Good to see you.

Council Member DuBois: Thanks for coming. I think part of the concern about Airbnb is that the short-term rentals take away housing stock. I'm just wondering if that's—I don't know what you called it, but this Housing Element group, was that one of the things that they would look at or is that on their radar at all?

Mr. Gordon: I don't think that the Housing Element group will be looking at short-term rentals per se. They're going to be looking more at the RHNA numbers and some of these kind of traditional things. I think how we deal with these short-term rentals—I firmly believe we ought to be focusing on them at a local level. San Francisco has implemented probably the most extensive ordinance in this regard in the nation. There are other jurisdiction things we could look at. I don't think the housing group will look at that, but it is something, I think, that we need to be thinking about in terms of what its impacts are.

Council Member DuBois: I have kind of several questions around High Speed Rail. Maybe I'll just go through them, and you can pick and choose. First, we just talked about it a week ago. We really focused on CSS, Context Sensitive Solutions. I think we feel like we have a commitment there. I guess it's less of a question than a comment. We really want to move forward with that. If you can help make that happen, I think that would be

appreciated. Second, we're really not sure why the High Speed Rail Authority has kind of pivoted to the northern route. I don't know if you can shed any light on that. I think they're going to be coming out with their updated business plan soon. We'd hope that you guys would scrutinize that plan and look at those assumptions. In terms of cap and trade, I thought High Speed Rail was getting 25 percent of that until 2020, but it wasn't permanent. Before it becomes permanent, again, I think really knowing that they have a viable plan to get there. I hope that you at the State level will kind of insist on that. If you have any comments on any those.

Mr. Gordon: Sure. First of all, I've made it fairly clear to the leadership of the High Speed Rail Authority that there has got to be a fairly extensive process and environmental review process for any work in this corridor. I think I'm in support of what this Council wants around making sure that we get the kind of review that engages people and really produces an environmental document that is sensitive to the region. I'm committed to that. You are, I think, correct around the fact that High Speed Rail gets 25 percent of the cap and trade. I think it is to 2020. I think in the minds of the Legislature that's permanent. I know it isn't that way.

Council Member Filseth: I think there's a discussion to make it even more permanent.

Mr. Gordon: That'll be revisited at some future point, but we're not there yet. I am looking forward to looking at the revised business plan. At this point, the commitment of High Speed Rail is Central Valley, then southern California, then northern California. Until the business plan is changed, that's where they need to be going.

Council Member DuBois: Can you shed any light on why it feels like they kind of quickly switched gears and started pushing hard on this EIR?

Mr. Gordon: I know that they're also doing work in southern California, so I don't know that it—it may feel to them sequenced, but I don't know that it feels that way to us here.

Council Member DuBois: Thanks.

Mayor Holman: Council Member Filseth.

Council Member Filseth: Thank you very much, Assemblyman, for coming and joining us tonight. I wanted to ask about water, which we haven't talked about yet. Municipalities all across the state cut water 20 percent, 25 percent, 30 percent this year. We're all hopeful that El Nino, which I keep reading is too big to fail, is going to bail us out of this. In the event that it

doesn't help or it doesn't fix our problems or not enough goes into the snowpack and so forth, what kind of action should we anticipate from Sacramento next year that we ought to be thinking about might be coming down the pike?

Mr. Gordon: Let me first say two comments. One is that I chair a Select Committee, which in the Legislature a Select Committee is a study group. I have a Select Committee on water. We are holding our first hearing in a couple of weeks in Sacramento. We're going to be looking at all of the issues related to water in California, looking at what our needs are, what we might expect, and what are some of the alternatives, and how do we look at additional desalination, what does that mean, how do look at additional use of recycled water, some of those things. In terms of the information that we're getting in Sacramento is it seems fairly clear that even if we have a good wet El Nino, it's not going to get us out of the drought, not going to solve the problem. We don't have enough capacity to collect and manage the water that would come; we don't have enough storage for it. importantly, all of the modeling seems to say that it may not help the snowpack very much, because the temperatures may be too warm. Last year in the Sierra Nevadas, the average winter temperature was 32 degrees, average winter temperature in the Sierra Nevadas. You wonder why we didn't have a snowpack or it's so reduced. If we get those temperatures again and we get a lot of water, it will run into our streams and we'll have flooding, rather than water containment. We have taken some short-term action on water, some drought emergency action. We, I think, would immediately be revisiting some of these activities if we got continued drought. I suspect that some of the things we'll be looking at is providing greater opportunities to streamline recycled water projects is one thing that I would expect would come up in Sacramento. I think we would be looking at making it easier for the State to have some role in water transfers between those who have and those who don't. I think those are some of the things. The Governor has also expressed interest in looking at Prop 218. I have a piece of legislation that's a vehicle around the discussion for Prop 218. Both in terms of water conservation pricing which is impacted by Prop 218, but also the ability to build infrastructure is impacted. There may be some discussions along those lines in Sacramento next year. We are a long way from, even with a good wet winter, a long way away from solving this problem in California. This is a much longer term problem. It's something that we candidly neglected for years. We simply relied on the Sierra snowpack as being our reservoir. We didn't act quickly enough when that began to shrink over the last decade. Our entire water delivery system is built on that being the reservoir. We're going to have to change some things pretty dramatically over time. There is a lot of work for us in this regard.

Council Member Filseth: Obviously there's a sort of fairly large and longstanding legacy legal infrastructure around the whole infrastructure of that. Do you foresee any examination of that?

Mr. Gordon: I think at some point we have a—if we continue into a fifthsixth year of drought, I think the infrastructure and the way the infrastructure is aligned and used will be looked at. We're going to be looking at water transfers, looking at other activities. We have several communities in the Central Valley that absolutely have no water. We've got whole towns where we've had to establish communal showers, and everybody has bottled water. It's the only source of water in the town. If we get continued drought, that'll be a problem. The other thing that we took action at the State level and, I think, we'll continue to watch very closely is groundwater withdrawal. We have been over-pumping for years. There's been a serious problem in the Central Valley. We actually have a huge problem with subsidence in the Central Valley, with ground shrinking because so much water has been pumped out. We've had some very bad practices, and we're going to have to figure out how to reverse those and do some things very differently.

Mayor Holman: Thank you once again for coming and joining us this evening. I have—try to collapse this into three questions. To follow up on Council Member Filseth's comments and questions about water. As certainly our local Staff knows, I hope in the discussion about water conservation that we don't lose sight of the fact that we have to preserve our trees and protect habitat. Sometimes we get so exuberant on saving water, that we forget the other part of that dialog. Now, that's a different conversation that would happen in the communities you're talking about, where they're on bottled water and communal showers. For most of the rest of us, if we can just not forget those other actually water conserving elements of landscape and water conservation. I don't know if you want to comment about that first. Go ahead.

Mr. Gordon: Let me just comment on that. I think that one of the things that we in Sacramento have been talking about is the multiplicity of needs for water. One of those that doesn't often get a lot of press attention is the environmental need for water, whether it be for habitat or species or just the maintenance of our trees.

Mayor Holman: I take it by your comments that you're going to be vocal or have been vocal in that regard. Great, appreciate that very much. Going to High Speed Rail. I just want to get some kind of clarification on this. When you're talking about the design of High Speed Rail and the environmental review would have to be something—you've always been very supportive of

this which is much appreciated—would have to do with what's best for our region as well in this review. I just want to make sure that that's inclusive of the Context Sensitive Solutions, and that was the intention of some of that comment.

Mr. Gordon: I happen to think that's the right approach. Whether we can continue to maintain a commitment and guarantee that High Speed Rail does that, I can't guarantee you at the moment. That's certainly something that I believe is a best approach.

Mayor Holman: Thank you also on your work to try to get grade separations included in the funding. Last area that I wanted to ask about is kind of two-fold. It has to do with the Housing Element revisions and the policy committee that's been set up, the Policy and Practices Advisory Group. What's the best approach to advocating with that group, what's the best inroad? There are things that you've heard me talk about for a number of years, how we lose housing units, we don't get credit for trying to save housing units by rezoning or extending affordability covenants, that sort of thing. Thank you again for your work on getting the mixed-use housing units included. What's the best way to approach and advocate with that entity and really push that this is for housing units? It's not just about creation of new housing units. What's the best approach from your perspective?

Mr. Gordon: Let me take this opportunity to introduce my new district director, Andrew Berthelsen. What I want to do is get Andrew connected with you and with City Staff as to exactly how to get input into that commission and how the City and you could have some impact on that.

Mayor Holman: Thank you with that. The related part of this is I was actually rather surprised recently to learn that Santa Clara County has the highest number of unhoused veterans of any county in the nation. I was really very shocked to learn that. Part of that has to do with housing units, and part of it has to do with social services. There's a lot of veterans maybe especially but the unhoused community as a whole suffers from not having funding for social services. Our State has been low in that regard for many years, decades actually. Is there any opportunity to try to increase funding that we could employ or deploy actually to help with the unhoused populations?

Mr. Gordon: Historically the State has taken the position that veterans issues are Federal; therefore, we coordinate with the Federal government, but we don't get that involved. I think that there's a difference in perspective on that now in Sacramento, partially due to just the huge

numbers that we see of veterans who make up our unhoused population, who are not getting the services they need in a timely manner. We have been increasing funding for veterans activities particularly in support of county veterans offices who are the point of coordination for veterans activities in each of our 58 counties. The Governor has just appointed a new head of the California Veterans Department. He's got a great track record and, I think, is somebody who will be a strong advocate. I look forward to working with him and my colleagues to see what we can do to generate additional support. It's a horrific problem. We are just not taking care of these men and women who served us. It is, I think, both a national disgrace, but we ought to try to do what we can locally and as a State to try to help in some way in the absence of Federal support.

Mayor Holman: I thank you for your comments. I agree absolutely that it is a national disgrace and it is also a local issue, because people are living in our communities and we're not supporting people to the extent that we should. Council Member Berman, did you have an additional question?

Council Member Berman: It's a quick one. We've asked a lot from you tonight and will continue to do so. I wanted to give you the opportunity to ask something from us. You mentioned that 900-plus bills passed the Legislature, and 800-plus bills were signed, but a lot weren't. Did you have any bills that are being pushed? Do any of them involve local initiatives? Is there anything that we can do to help out, assuming that we decide as a community to support those?

Mr. Gordon: Good question. The legislation that I've put over for continued work next year, I think the two biggest ones probably actually don't relate immediately to local government. One has to do with the fact that at the State level there is no reporting mechanism for anyone who lobbies on a State contract. Companies can wine and dine procurement officers in State agencies and never report that at all. I'm hoping to continue to work on that next year. I stuck my toe into the issue of automobile recalls. I'm not sure where that piece of legislation heads next year, because the world of the recall keeps expanding by the moment. My concern and the reason I got engaged in this is that currently in California you can buy a used car and you'll have no clue as to whether that car is under recall. No one is required to tell you that the car is under recall. Unless you know that there's a Federal database and you have some way of searching it, you would have no Also in California until just recently, all rental cars, there was no requirement that they rent you a car that was not under recall. You could be rented a car that was under recall. The three major auto rental companies have accepted a voluntary program in California to not rent those cars. That's only recently, within the last few months. It's an area that I've

got—I don't know how to work on it, but we're going to try to figure out the size of the problem and what to do with it. Thank you for the question.

Mayor Holman: As I said in introducing this item, we always appreciate the time you come and spend with us. Most especially we appreciate the time you spend on our behalf in Sacramento. We very much appreciate that. I think City Manager Keene had some comments that he would like to make as well.

James Keene, City Manager: Thank you, Madam Mayor. Thank you to our top-notch, so lucky to have you representative. I know you're drawing near the end of your time. Council Member Scharff called out your work on 350, but I did want to mention that all of our Utilities Staff wanted to thank you for your assistance on that and obviously the benefits that it had to all of our work on our carbon neutral portfolio. Also, some of our environmental Staff team, including Phil Bobel and some others, had some special thank you's. With the Mayor's indulgence, I'd like to ask Phil to come up on their behalf. He carried a lot of water for us in that area this year also. Thank you, Phil.

Phil Bobel, Public Works Assistant Director: Thanks, Jim. We really appreciate your work on environmental and sustainability efforts all throughout the years. You modestly referred to a couple of things that are recent that I just wanted to underscore. wanted to thank you for 1482, which you authored, which requires the State to upgrade its adaptation plan for climate action. We need some help in that area. We know we're a little weak on our own planning for adaptation. I think the interplay between the State and the locals. Thank you for your leadership on that. Another one that I know you had to put over, 1362, starting to work on making it easier for locals to get the fees we need on storm water programs. You again modestly referred to the fact that you were going to try to deal with another issue under that piece of legislation, namely conservation pricing. We need conservation pricing both in the solid waste world and the water world. We've got to have the clarification that we can do that legally and successfully. We really appreciate your action on that. I personally am thrilled to hear, listening to your little video on your website and then you reinforced this tonight, that you're the Select Committee Chair on water. We think that's fabulous. You alluded to the fact on your video that you're looking possibly at a bond measure to look at more funding under that Select Committee. That would be great. recycled water, we're going to need additional funding. Our City Council has just approved an Environmental Impact Report for the next expansion of our recycled water system. We're looking to funding now to see if it's really feasible to do that. We're thrilled. In closing, I'd like to thank you for all of your sustainability work and environmental work throughout the years. We

still need your help for one more year. A couple of those things. We're looking at some kind of statewide program on this medicine disposal issue. It's still not well organized enough, even though our own county and others have acted. Things like that and product labeling, we still have some. The cleaners, there's a bill and then there's a bill on e-cigarettes that didn't make it through, that I know you're very supportive of. All of these areas, one more year. Thank you so much.

Mr. Gordon: Just a note. I do have a Select Committee on recycling issues. We are actually going to hold a committee hearing here in this room, in these chambers, soon, November 4th maybe. We'll announce it. The focus of that hearing, a large part, is going to be on hazardous waste and how do we dispose of sharps and needles, how the paint program is working, etc. Thank you.

Mayor Holman: Thank you again. Your participation is much appreciated. City Manager Keene referred to your time coming to an end. I just want to clarify he meant your time at the Legislature. We all look forward to the Rich Gordon that will be serving the public and the community, I'm sure as I'm sure we all are confident, after your time in the Legislature.

Mr. Gordon: Thank you.

Mayor Holman: Thank you very much.

4. Council Update on Staff Actions in Preparation for 2015-16 Winter Storm Season.

Mayor Holman: With that, we go to Item Number 4 which is the Council update on Staff actions in preparation for the 2015-16 winter storm season. I know we have some Staff members here as well as Len Matterman.

James Keene, City Manager: Len Matterman is also here. Len, would you mind joining us up here? Is that okay?

Mayor Holman: Is Staff ready to make your presentation?

Mike Sartor, Public Works Director: Yes. Good evening, Mayor Holman and Members of the City Council. I'm Mike Sartor; I'm the Public Works Director here. We're here tonight to give you guys an update on our efforts that we've been undertaking over the past several months in preparation for this year's winter storms. Up here at the table with me is Joe Teresi, our Senior Engineer in charge of our storm programs, storm drain and storm water programs; and also we have Len Matterman here who's the Executive Director of the San Francisquito Creek Joint Powers Authority who is a key player in all these activities. With that, Joe, I'll turn it over to you.

Joe Teresi, Public Works Senior Engineer: Good evening. I'm Joe Teresi, Senior Engineer in Public Works. I'm going to go through the slides that you have at places. I wanted to start out by just giving a brief overview of the whole El Nino scenario that we're facing this winter season. The National Weather Service, as you know, has identified the presence of a strong El Nino in the Pacific Ocean. In order to be considered strong, it means that the sea surface temperatures are at least 1 1/2 degrees above average. The folks at the Weather Service are telling us that this appears to be the strongest El Nino since the one of 1997-98 which we all know had some severe consequences here in Palo Alto and the surrounding communities. In the event of a strong El Nino, typically that results in above average for the Bay Area and most of California. They're telling us that this El Nino condition is expected to last through the spring. In looking at the overall winter season, it appears that the highest chance for above average rainfall is going to take place after the new year. I'll show a little bit more about that in the next slide. This map is climatic prediction from the Weather Service that shows their expected outlook, kind of the big picture outlook, for the period of November, December and January. What the map means is if you look here—of course, that's the Bay. That's where we are. We're right on this line of 33. That means 33 percent. They're saying that overall for that time period of November, December, January there's a 33 percent chance that we'll have above average rain, a 33 percent chance that we'll have average rain, and a 33 percent chance that we'll have below average rain. Take your pick, I guess. Early in the season, the indications are not as strong. The other thing you might notice is that the impacts for southern California are predicted to be more severe than in northern California. For this particular time period, they're showing between 40 and 50 percent chance of above average rainfall for southern California. Looking a little bit past, you see that the lines move to the north, and the chances for above average rainfall increase. Again, we're here at the Bay; we're between the 40 and 50 percent lines. That indicates that for the period of January, February and March of next year, there's a chance between 40 and 50 percent of above average rainfall and only a-what would that be? If it's 40 to 50 percent above, that means that there's a—help me with the math. Never mind. I'm sorry. A much higher chance of above average rainfall in that time period. We want to talk about the fact that we've been over the past several months working extensively and cooperatively with our partners that are members of the JPA on preparing for this El Nino season. course, those other agencies are the Cities of East Palo Alto and Menlo Park, the Santa Clara Valley Water District, and the San Mateo County Flood Control District. In general, the activities can be summarized by doing things that will reduce flood risk by removing debris in the creek within regulatory constraints, providing better and earlier flood warning to residents and emergency responders, improving communications between

emergency response agencies in both the cities and both counties, and finally communicating with the public about what we're doing and what they can do to protect themselves. I'm going to just go through sort of by categories as to the many activities that are underway for us to prepare for the winter season. In the area of storm drain maintenance and tree maintenance. As is typical each year, we're hydro-flushing and cleaning our storm drain pipes. We have a practice of cleaning every, individual storm drain inlet prior to the rainy season. We're testing our storm water pumps and cleaning the wet wells that collect the water that's pumped into the creeks. We have some areas where we have storm drain outfalls in an area where the land flows downward and away from the creek, so that when the creek gets very full, we can actually have backflow from the creek via the storm drains into these low-lying areas. We've installed several new flap gates in order to prevent that from occurring. We've also improved the understandability of the creek stage marker at the Pope-Chaucer Bridge, so that it's more intuitive and easier to see. It's reflective; whereas, before it was just a wooden staff. It was hard to see at night. Lastly, we're doing our regular job of pruning trees, in particular around utility lines to prevent power outages and other problems of that nature. Here's a picture of the new staff that's been installed at the Pope-Chaucer Bridge. There are a couple of things that are new about it. One, as I said, is it's reflective, so at night, if you shine a light on it, it's very bright. You'll be able to read it. Secondly, in addition to measuring the depth of water at the creek on the right-hand side of the staff, on the left-hand side it shows the percent full. You'll notice that it's not linear. As you get higher up in the creek, the creek widens out and can actually take more water. A lot of times when people see water at the top of the arch, they get concerned about potential flooding. Whereas, in actuality, when it reaches the top of that arch, it's really only about 62 percent full. That's because of two reasons. One is that, again, the higher up you go in the creek, the wider it gets. Secondly, when the water builds up above that arch, it creates a pressure flow situation that can force more water through that tube. This is a picture of one of the flap gates that we installed on the end of a storm drain outfall to prevent that backflow into the low-lying areas. Another activity that gets a lot of attention is the establishment of sandbag stations to distribute sandbags to our public. For Palo Alto, we have three locations where we stock bags: at the airport, at Mitchell Park and at Rinconada Park. Some of the sandbags we get from the Water District, but we're also working to fill our own bags. We have a sandbag filling machine that we use at our corporation yard. To date, we've filled about 3,400 bags and plan to continue that over the storm season on an as-needed basis to make sure that we have enough sandbags to serve the public demand. We're also considering an on-call contract with a construction contract to help us with the filling, staging and delivery of additional sandbags as needed during

large events that may occur this winter season. Here's a photo of after the recent sandbag filling task. They filled all these bags using the bag-filling machine we have at the corp yard, and we'll continue to use that. This map is actually from the JPA site. It shows not only Palo Alto's three sandbag stations at the airport, Mitchell Park and Rinconada, but also the fact that East Palo Alto has two sandbag stations and Menlo Park has three. Again, all the cities are working closely together and cooperatively to prepare and have those bags available for the public. I next want to talk about creek cleaning and vegetation management, because I find this is an area that there is oftentimes confusion about who's actually responsible. I've kind of laid it out for each party and what their responsibility is. We'll start with the Santa Clara Valley Water District. A lot of people think that they're responsible for everything, and that's not actually true. They're responsible for creek maintenance where they have either right-of-way or hold a flood control easement. That in Palo Alto applies to, of course, all the improved channels which is most of Matadero, Barron and Adobe Creeks, and San Francisquito Creek downstream of Marlowe Street are the main areas where the Water District has easements and, therefore, maintenance responsibility. In addition to taking out downed trees and other debris, they routinely apply a water-safe herbicide to manage the vegetation in some of the line channels. They don't clean every one every year, but they do treat the vegetation with the herbicide in order to control it. In a large rain event, that won't just get flushed down. They also have an active emergency response team that responds to downed trees and blockages that might occur during a large event. The City also has its role in this, in that the City is responsible if the creek is on City right-of-way. That takes place if the creek's alongside a street or in a park. For example, where Palo Alto Avenue parallels San Francisquito Creek, the street right-of-way actually extends down into the creek to the centerline. In those areas, unless we've given the Water District an easement, which we have in a few areas, but a lot of it falls to the City to maintain that portion of the stream. That applies as well to Barron Creek along Los Robles Avenue, and it also applies to Matadero Creek as it runs through Bol Park. A couple of specifics. For this year, our crews did remove overgrown vegetation on Barron Creek at Arastradero Road and along Los Robles, and of course we did a lot to remove debris and select vegetation along San Francisquito between El Camino and Highway 101. Private property owners actually have a role too in certain cases, where their private property backs up to the creek. It's typical for the ownership of that particular parcel to extend down into the creek. Unless they've given the Water District an easement, then it falls to them to keep that section of the creek cleared. You see a lot of that in the Barron Park neighborhood for example. In this particular area, Caltrans has also played a role in that they're working on the Highway 101 and West and East Bayshore Road bridges over San Francisquito Creek. They are replacing

those bridges. As part of that work, they have gone in and removed several feet of sediment that has built up under the freeway. That's going to do a lot of good in increasing the flow capacity at that particular location. They are just now completing the first phase of their work. They have completed reconstructing the southbound lanes of Highway 101 over the creek. They'll be pulling out all of the false work and equipment and dams that they've built by the end of this month. In the next two weeks, they'll be totally out of the creek. With that sediment removed, that will function guite well. This is at East Bayshore Road looking Here's a photo of the creek. upstream. You can kind of see over on this side here, this is where the sediment was, up to this line here. Now, they've brought it down; they took out several feet. The other item that we do again as a team effort is that we have an annual multiagency walk where we walk the full length of San Francisquito Creek, all the way from Sand Hill Road to the freeway. We look for downed trees and debris for removal, and then we assign that to whoever is responsible for that particular reach. This year the walk was done on August 19th, and all of the identified work was completed prior to October 15th. That included trash removal as well as vegetation removal, which was done under the constraints of environmental and regulatory restrictions, which in this case means we were able to cut up downed trees and branches and we were able to remove overgrowth of live, non-native vegetation with hand tools. We're not able to use power tools. Those of you who look in the creek and see there's a lot of vegetation left, there's really two reasons for that. One is some of the native vegetation isn't able to be removed without lots of permits and approvals. Secondly, that vegetation, the part that's left there, really serves a function in that the roots of those plants hold the bank together and actually have a positive effect on the creek. They're small enough where they're not really a flood risk. During a high flow, what's left in the creek tends to be of a finer nature that will just kind of fall over and not cause a blockage. This year's efforts were a lot more than in years past. Here's some examples of some of the stuff we've found. This was unusual; we found some safes that were smashed and opened.

Male: (inaudible).

Mr. Teresi: No, we didn't find any money, unfortunately. It was already gone. This was a downed tree that fell across the creek, that was cut up. This is an example of a non-native; this is an acacia tree that's a non-native, invasive. This particular tree was taken out using hand tools. On this slide you see all the spots along the creek where the various entities performed maintenance along the creek prior to October 15th. Next is levee maintenance along San Francisquito. There were some small areas just upstream of the Pope-Chaucer Bridge where the earthen berm had eroded.

We and Menlo Park have fixed that by placing additional fill material. I'll show you a picture of that later. We're considering performing additional levee maintenance along San Francisquito between Highway 101 and the Baylands Athletic Center in order to bring the levee on the Palo Alto side up to an elevation consistent with the sandbag wall on the East Palo Alto side. We're considering execution of an on-call contract to assist us with placing additional sandbags, removing debris, etc., on an as-needed basis. Here is This is the Pope-Chaucer Bridge. We're looking downstream. Here's the bridge; here's the opening. This is the Palo Alto side, and you can see there was a little bit of erosion here. Again, it wasn't a lot, but over time this berm, which has been here since the 1950s, was eroded from rainfall and people walking on that. That little gap has been filled in. Similarly in Menlo Park, this gap that was there on their side was also filled in. That's going to hold more water in and force more water through the In terms of public outreach and engagement, which is another activity that we've worked on a lot, again with our partner agencies. The City has been distributing a winter preparedness bill insert in utility bills during the month of October. All the JPA agencies and specifically the public information officers from the different agencies worked together to coordinate and produce an informational brochure with flood management project updates and winter preparedness tips for the San Francisquito Water Shed. That mailer has gone out. The City has established sort of a unified portal for winter storm information; that's www.cityofpaloalto.org/storms. Last week, the PIOs coordinated a joint media event in East Palo Alto alongside the levee where the press was invited to see and hear about the various activities that we're doing in terms of emergency response coordination. They were given lots of resources for information. We had the debut for the JPA's new early flood warning system website. Speaking of that, the new website is up and running now. The City worked with the JPA to secure funds from the State of California Department of Water Resources for a grant to develop and implement this watershed-wide early flood warning system. It's based primarily on the fact that we've now installed additional rainfall gauges or have access to additional stream flow gauges in the upper watershed that will give us more advanced warning of conditions before it reaches the flatlands here, down in Menlo Park and Palo Alto and site. East Palo Alto. With this Τ have the URL there: sfcjpa.org/floodwarning. This will provide us with almost two hours advance notice of potential creek flooding based on this stream flow data that's collected in the upper watershed. I'll show you a map of that in a moment. The website also allows users to enroll and get automated email and text messages and to report information and upload images for use by emergency responders. After this is implemented, the JPA will be funding the ongoing maintenance of that website. Let me just show you this map. These red rectangles are the new rainfall gauges that we now have access

to. Before we were relying on a single rain gauge in Foothills Park; now we have four rain gauges. This purple line is the boundaries of the watershed. Now you see we have four rain gauges on the upper part of the watershed across the full width of the watershed. In addition, we now have access to stream flow data from three gauges here that measure the water flow in San That gives us an hour and 45 minutes advance notice of what—when we add these together, each of these circles is on one of the tributaries of the creek, and they all combine at this point and reach down the Bay. By adding together these actual flow rates that we're measuring at these upper watershed areas, we can predict an hour and 45 minutes ahead of time what's going to happen down at Pope-Chaucer. We have even longer before it gets to Highway 101. I want to real quickly show you the website. Here's the website, the early warning system. What you'll see here, this website is based on a Google Maps map of the area. We focus on these four points which are four existing bridges that are bottlenecks in the creek system. We have Highway 101 here. We have University Avenue here. We have the Pope-Chaucer here. We have Middlefield Road here. The website is based on the concept of green, yellow, red as easily intuitive colors. Green is everything's good; yellow is caution; red is warning. What we do is we measure that creek flow uphill in the upper watershed, and we have two trigger points for each of the bridges. We have the flood watch stage, and we have the flood warning stage. The flood watch stage occurs when the amount of flow at those upper watershed gauges equals 60 percent of the capacity at any one of these points. When we measure that flow, then these green circles turn to yellow as a caution that there's a slug of water coming down here that equals 60 percent of the capacity of that particular spot. The flood warning stage is the red stage, and that's enacted when we measure flow in the creek that equals or exceeds the full capacity of one of these points and means that there's going to be flooding occurring. Let me show you some of the other tabs real quickly. This tab is to receive alerts. This is where one can sign up to either receive text messages or email messages anytime any one of those dots turns from either green to yellow, meaning we're in the flood watch stage, or turns from yellow to red, meaning we're going into the flood warning stage. You just enter either your phone for text or your email address for email alerts. This is where you can report a problem. You place your email address and where you are and you tell what the problem is. You can also upload photos of things that you see in the field, and those will be conveyed to emergency responders for response. This background data is a place where one can go back and see more detailed information about what's happening at each of those rainfall gauges and each of those stream flow gauges up in the upper watershed. The "about" tab just talks about the website, what it does, how it's put together and what it means when you look at the various maps and colors. Lastly, there's a link to our own City creek monitor site that enables you to

toggle back and forth. Lastly I'll just show at the bottom we have lots of helpful links to each of the JPA agencies' emergency response websites. We have information on local weather and El Nino and road conditions, the sandbag map and how to sign up for emergency alerts either through San Mateo County or Santa Clara County and then some flood tips from FEMA. We're very excited about this new site and are hopeful that it's going to provide lots of good, helpful information. I'm just going to do a guick simulation here on what happens when we get into a flood alert or flood warning stage. This is what the map would look like if we were at the point where the flow measured at the upstream stream gauges equaled 60 percent of the capacity at Middlefield and 100 percent of the capacity at University and Highway 101. For the flood watch areas, the dot turns red and these polygons are the approximate floodplain that would result if overtopping occurred at any of these points. This is the floodplain for this overtopping at 101. This area here is the floodplain for University Avenue, and this is the floodplain for Pope-Chaucer. This is showing that at Middlefield the flow rates only reached between 60 percent and 100 percent of the flood capacity at Middlefield. This is the Middlefield floodplain. If you have questions after I finish up, we'll be happy to come back to this. I have a couple more slides, then I'll be done. We're doing a lot, again, working cooperatively with our partners on interagency emergency planning and response coordination. We're continuing implementation of what's called a multiagency coordination framework or MAC to coordinate our emergency response actions amongst the members and with the Office of Emergency Services in both counties. We've established a protocol whereby whenever any agency opens up their Emergency Operations Center, the other agencies We're developing protocols for mutual aid amongst Public Works Departments. Lastly, we're going through lots of Staff training and volunteer training. I won't go through all these. This is a list of some of the activities that are being done on a joint basis to get everyone working on the same page and working together to ensure a safe winter for us all. At this point, there's a lot of us that are here if you have questions. Mike Sartor, of course, is our Public Works Director, and Len Matterman from the JPA is here. Brad Eggleston, our Assistant Director for Engineering Services, and Jon Hospitalier, our Assistant Director for Public Services, is here. Dueker, the Director of the Office of Emergency Services, is here. Any of us are available to answer any questions that you might have.

Mr. Keene: Both Fire Chief Nickel and Police Chief Burns are also here this evening, along with Claudia Keith, our Communications Officer.

Mayor Holman: Just really quickly, I think I'd like to ask Len Matterman to make a couple of comments. The amount of cooperation that's happened across jurisdictional in trying to get a safe environment as much as we can

anticipate what might happen. I think, if you'd like to make a couple of comments about how that kind of cooperation has happened and the extent of it.

Len Matterman, Executive Director of the San Francisquito Creek JPA: Sure. Thank you, Madam Mayor and Council Members. Everything that Joe Teresi talked about in terms of the categories of reducing flood risk, providing early improving coordination and communication on emergency response, improving public communication, all of those items have been done in concert with the other entities of the JPA, meaning the JPA itself plus the Cities of East Palo Alto and Menlo Park, the Santa Clara Valley Water District and San Mateo County. Certainly on some of those items depending on the location of the removal of debris or the website, which was really a partnership between the City and JPA, and other items relate to reducing flood risk by raising creek banks in certain areas. In some of those cases, some entity has taken the lead or been more involved than other entities, but in all of them there's been a lot of active coordination. Mayor Holman, you saw that last week at the event. There have been a series of meetings actually over the last few years, but those have been accelerated to every two to three weeks among City Manager Keene and many Staff from the City as well as myself and City Managers from the other two cities and leadership from the County and Water District. I think the level of coordination is way beyond what we saw even in 2012 when we had the last flood. I think in terms of our ability to communicate and respond when there are large events in the future, including this winter, we're better off because of that.

Mayor Holman: Thank you for that. We have two members of the public who would care to speak to this item. Kevin Fisher to be followed by Bruce Heister, and you'll each have three minutes.

Kevin Fisher: Good evening. My name is Kevin Fisher. I live at 728 Alester Avenue. I've been in my location for 20 years; I've lived in the City for 30. In fact, I remember—Liz, were you on the Council in '98?

Council Member Kniss: (inaudible)

Mr. Keene: Yes.

Mr. Fisher: Were you on the City Council in '98?

Council Member Kniss: Yes.

Mr. Fisher: I remember you came to Duveneck School after the flood.

Council Member Kniss: I remember it extremely well.

Mr. Fisher: It was certainly something that was seared in my mind forever, certainly for as long as I live. First, I want to give Joe and the team credit for the preparation. I wasn't paying a lot of attention in '98, but it seems like there's way more preparation now than there was by orders of magnitude. In '98, I didn't even know where the creek was, I mean, more Of course, I do now. Tonight I want to talk about sandbags. There's always talk about sandbags, but as it's explained—it's not really explained—I think it's in a way misleading that somehow sandbags are an answer. In fact, it could do more harm than good unless it's properly explained. I have gone onto the Army Corps of Engineers' website, and I've read materials. For example, in my home that was flooded in '98, 9 inches of water inside of my home, sandbags are worse than useless; they're harmful. You cannot turn your home into an island with sandbags. I did the math on it. It's something like 3,000 sandbags to sandbag one home in Palo Alto. You'd need 100,000 sandbags or more in order to protect the homes, if that were even feasible. If you try to turn your home into an island, the water will seep up from the ground, and the water will get in anyway. If enough water builds up, the sandbags will collapse and you'll have a huge rush of water which will do more damage than just the water by itself. If we're going to talk about sandbags, I think that needs to be clearly stated. You can keep a little nuisance water out of your garage, but you're not going to protect your home with sandbags. What you can do—this got me Sandbags, the way it's explained by the Army Corps, they're intended to keep water in, not out of your house. They're intended to keep water in a creek, in a lake, something like that. We have Pope-Chaucer Bridge, the diversion dam that it is. It would be quite feasible to build a wall of sandbags along Palo Alto Avenue, improving the situation for homeowners in keeping more of the water in the creek. I'm not trying to be funny. I think this is a very real possibility. If we cannot tear that bridge down right now, I think that's a reasonable alternative. If a big storm is coming, build a small wall of sandbags, close Chaucer and Pope. That's my comment for tonight. If the City is not prepared to take these actions, will I be arrested if I get 100 of my neighbors to go do it myself? That's an honest question. Thank you.

Mayor Holman: Thank you. Last speaker is Bruce Heister. Welcome.

Bruce Heister: Mayor Holman, Council people, I'm Bruce Heister, and I reside at 107 Emerson Street, overlooking San Francisquito Creek. It also happens to be the highest point on the whole creek system. Thank God. Moved in there in October of '97, watched the creek rise in February of '98. I'm here today to talk about help for the seniors. There's a lot of people who remember '98. They're also 18 years older and cannot schlep sandbags and need help in getting sandbags to their home. We're trying within

Avenidas to put together a place where they can identify themselves and hopefully with either some of our own or with help from the City we can deliver sandbags to those who want them, by their doors for instance. I'd also like to thank Jim Keene who when this first came up several very nervous people all of sudden realizing there was going to be El Nino, started asking questions about it and he rallied the Staff and also responded very quickly to them. Thank you very much.

Mayor Holman: Would Staff care to respond to Mr. Fisher's comments?

Mr. Keene: Can I make a stab first, Mike, and you can embellishment it? This is really the question about how the City could use sandbags or some other approaches to increase the capacity in the channel of the creek at certain locations. We have been looking at this. Our Staff can talk about it in more detail. There are some challenges in the fact that we have a series of bridges along the creek which have different carrying capacity, and they're all limited to some extent. The carrying capacity at Pope-Chaucer, as I understand, is about 5,500 or so cubic feet per second or cfs carrying It's about 6,000 as you get down to the next bridge. capacity. Unfortunately, by the time you get to the 101 bridge, it's about 4,700 cfs. The increased capacity as we carry water down the channel obviously runs into problems downstream. One of the things we're trying to take a look at is if there are additional triage, temporary efforts we make in the channel, what are the implications that increases flooding elsewhere, in another neighborhood or part of the City which is a very real possibility. We've got to be thinking about that. Obviously very, very difficult choices. This has been something that Staff has—we've talked about 20 different concepts along the way. I don't think we're at a point yet where we can firmly report out. There were some very good points made by the first speaker. Just in response to Mr. Heister's comments. We're also, though, working with a number of other partners who might be able to assist seniors or other folks in being able to access sandbags and provide some assistance. Again, some time we think over the next few weeks or so, we'd be able to sort of report sort of what we could do in a programmatic way to be able to provide assistance to folks who may not be able to pick up sandbags and that sort of thing themselves. Mike.

Mr. Sartor: Thank you, Jim. I think Jim covered that question very well. I'd just like to add that Len Matterman's comment that we have been meeting regularly as a group with the City of East Palo Alto, Menlo Park, Water District and County of San Mateo. Actually two weeks ago, that group was split into two working groups. One is an emergency response working group, and the second is a engineering working group. Those two groups met last week to come up with additional recommendations for bettering our

emergency response on one and other issues, like Jim's talked about and Mr. Fisher brought up of additional engineering solutions that might be put in place before the storms hit. Those groups will be coming back together; we're meeting again as a group on Thursday to go over the recommendations that have come up from those working groups. We'll be moving forward with some additional steps of action that we will be taking. We'll, of course, keep you and the community informed of those steps as we go along.

Mayor Holman: Thank you. If I might just very briefly embellish what City Manager Keene was saying in response to Bruce Heister's comment. Actually in making a comment in one of our meetings about some people just not being able to manage sandbags, Assistant City Manager Mason, which I want to give her credit, said, "Why don't we coordinate with scout groups, for instance?" We're trying to figure out some way to coordinate with volunteer scout organizations, YCS or the Youth Community Services and service organizations. I wanted to point those out, because if some organization wants to volunteer to be accessible to help in that effort, that would be great. Also, working with Len Matterman and the City to try to keep the sandbags dry while they're out there in the field. Council Member DuBois, questions, questions or comments?

Council Member DuBois: Thank you very much for that presentation and report. It's really good to see all the work. It's very comprehensive. I have a question about the 101 Caltrans work. What will the status of that be in January? Do they stop working at some point if it starts to rain or do they keep working until it rains?

Mr. Teresi: The Caltrans project is a multiyear project that's going to be under construction for three years. Right now, they've finished up the first stage. By the end of the month, they have to be out of the creek, but there's still some additional work on the top as far as the roadway and the sound wall reconstruction that they will continue throughout the winter. Come next spring, they will shift the lanes once again and replace another section of the freeway.

Council Member DuBois: Also, I saw some recent emails about street cleaning to clean the new RPP areas. I think what's happening is we have people coming in now with permits and parking. When the street cleaners come, they can't get all the leaves on the side. Is there any thought to making it so you can't park on one side of the street when the street cleaners come by, like we do Downtown, to remove those leaves before the rains?

Mr. Sartor: Let me address that. There have been some questions about our street sweeping program and leaf removal. A couple of things on that. We have been in the RPP areas, particularly the part of Palo Alto that has a lot of on-street parking, posting streets on a periodic basis so that we can go in and sweep before the cars come or don't allow cars to park while we do the sweeping. As Joe pointed out earlier, our street crews, the actual storm drain maintenance crews come in and clean all the catch basins before the winter storms and also go in by hand and will collect additional leaves that might have collected in the gutters. The basic tenet of this is that we will be addressing all the leaves on the streets both on the street and in the catch basins themselves.

Mr. Teresi: If I could just add a pitch to the public. It's very helpful if folks don't rake their leaves out into the street. I know that in the past that was kind of accepted practice, but it's really not acceptable any more. We would appreciate it very much if you would use your compost can and take care of your leaves. That way our gutters and catch basins will stay more clear, if they do that.

Council Member DuBois: Speaking from total ignorance, I don't know how you guys—I saw it on the slide—hydro-flush. I'm wondering if it'd be possible to use some of the water from basement pumping that people are upset about and actually use that for some of the flushing.

Mr. Sartor: Actually we have been doing that this year, not only the basement dewatering water but recycled water. Our Utilities Department and our Staff have been using recycled water when we're flushing the storm drain systems and that kind of thing.

Council Member DuBois: Two more quick questions. You also mentioned some private property owners having granted flood control easements on the creek, which I wasn't aware of. I was just wondering how common is that and do you send those people notices and are they mostly responsive in cleaning parts of the creek they're responsible for?

Mr. Sartor: The private property, if you can visualize, basically run from Marlowe Street downstream to Highway 101. Most of the homes in the Crescent Park and older part of Palo Alto back up to the creek; they own to the center of the creek. We did notify all of those people back in September that we were going to be coming in and doing trash and debris and vegetation removal, and have been working with those neighborhood groups in doing that work.

Council Member DuBois: You go ahead and do it anyway?

Mr. Sartor: Yes.

Council Member DuBois: I thought there was a point in one of the slides that said (crosstalk).

Mr. Sartor: We've actually completed that. We did that. We sent out an initial notice letter requesting them to send us back permission. If they didn't respond, we sent a second notice and actually went out and knocked on doors.

Council Member DuBois: Did you get most of the people to agree?

Mr. Sartor: Yes. As I said, that work has actually been done now.

Council Member DuBois: The last question was—again, I don't know if it's a big issue or small issue. Have there been any ideas on how to ensure sandbags are actually used for the purpose intended and people aren't just repurposing them?

Mr. Sartor: That is a problem. One of our solutions to that is we deploy sandbags on a as-needed basis. We don't just put them out and leave them at Rinconada Park or at Mitchell Park for a long period of time. We essentially keep an eye on the supply. As a big storm rolls in, we'll just bring them out on an as-needed basis near term.

Mr. Teresi: Also, I believe that in the past, I think, the Santa Clara Valley Water District used to use a really high quality sand that was suitable for use in construction, so a lot of them kind of went that way. I think now they're using a lower quality sand which works as far as flood control but isn't as attractive as a construction material.

Mayor Holman: Council Member Berman.

Council Member Berman: Thank you, guys, very much for the presentation and obviously all the work that you guys are doing in preparation. I was talking with—it might have been Len or it might have been Jim—at some point in the last couple of months. It was kind of we've got a nice early heads up on what might happen this winter, so we don't have any excuses for preparing for every possibility. It's really encouraging to see that that's absolutely happening in terms of the coordination and the preparedness efforts. I had a couple of questions on kind of public awareness and public knowledge. You guys showed us today this great new JPA website. Is that meant to be kind of the main website that folks use if they've got questions about the storm or ...

Mr. Matterman: The benefits of that website are really two-fold. One is that it shows pictorially what we think will happen in terms of where the creek will overtop and what neighborhoods or what parts of Palo Alto or East Palo Alto or Menlo Park will be affected. It also includes information that more than doubles the advance warning. Those two things combined make us feel strongly that this is a better tool for the general public and emergency responders. What you would notice at the top of that website is—looks like you're on it which is great—that there are tabs where people can get background information including the Palo Alto website that has always been there and will always be there. We are hoping that people transition to the new website for the alerts and for those two benefits.

Council Member Berman: That's great. I like the new website a lot. It's, I think, a lot more kind of user friendly. I love the "sign up here to get text alerts," which I'll get to in a second. Our website doesn't point anybody to that website anywhere on it, on our flood information winter storms website. That's something that we should look into and probably have at the very top.

Mr. Teresi: Actually as of this afternoon, it does.

Council Member Berman: The flood information and winter storms?

Mr. Keene: Yeah, right there. It's right ...

Council Member Berman: This isn't what was mentioned here, right? Cityofpaloalto.org/storms.

Mr. Teresi: You're correct. I added a link to the creek monitor page, but I have not yet added a link to the storms page. That's a very good suggestion. Thank you.

Mr. Keene: Can I just add? It's great if people can bookmark the URL for the site directly. As we get closer to the season, our home page itself will actually have links to all of this, so that nobody has to know anything other than just getting to the home page. We'll have all ...

Council Member Berman: And the sliding bar?

Mr. Keene: Yeah. You'll be able to connect to all of these off-site links.

Council Member Berman: Perfect. That was another thing that I had in mind. Thank you, Jim. When people get an early flood warning—if I go to the JPA site, the /JPA Palo Alto site, and I enter my mobile and get a text that says we're now at yellow, will it also include information that doesn't

freak out the entire town and kind of add some context as to what that means exactly?

Mr. Matterman: Within the limitation of a text. We don't want to give them many sentences or paragraphs. Basically what it says for flood watch is within two hours, because this is always prospective for two hours ahead, within two hours at this location the creek is anticipated to reach 60 percent capacity. Stay tuned, stay alert. It will direct them to additional resources. All of that has to fit within, I think, 150 characters or something like that. That's the flood watch. The flood warning is more direct. The text message or the email is a little longer, but basically the same thing where it says within two hours at this location, the creek is expected to flood. It directs them to the website. What you'll notice on the home page of the website, which is shown on the screen there, it tells people please do not call 911 unless it's an imminent life or property is being threatened. It also directs people to the bottom of that page which is a series of links for their jurisdiction, their city or county in that case. It's a balancing act. We want to give people information. We want them to be alert. We want them to go to their city website but, as you said, we don't want them to freak out and call 911 if that's not called for in that circumstance.

Mr. Sartor: Council Member (crosstalk).

Mr. Keene: Thank you. If I might add to that. Could I ...

Mr. Sartor: I just wanted ...

Mr. Keene: Yeah.

Mr. Sartor: Just real quick. When the website turns yellow, that's at 60 percent capacity. At 70 percent capacity is when we actually activate our Emergency Operations Center. What that means is that we will actually have people on the ground ready to respond at 70 percent capacity. It will be tracking that creek monitor and be out in the field ready to respond to any red dots if they come up.

Mr. Keene: That's what I was going to say. We've got the Chiefs and OES Director here. We will be on the job when we activate the Emergency Operations Center. That's a very comprehensive process that we'll have Public Safety, Public Works, myself and other people. All of us will be on the scenes and out there, so there will be a lot of boots on the ground. Obviously still making sort of the call as you get to this two-hour sort of period to what's actually going to happen is going to also be something that while our teams have been practicing already on a lot of the emergency responses, those are the kinds of decisions that kind of get made there on

the spot. Obviously we can't be suggesting people be evacuated routinely and it's a false alarm. This is something that will be sort of really kind of peak importance. The only thing I can say is that there will be 100 percent round-the-clock dedication on the part of our Staff and certainly I would expect from our partners through however long this period lasts. We've learned a lot from the '98 flood. I wasn't here, but I was in Berkeley. I know a lot about how we need to respond to these events. That said, as the Mayor said when she spoke in East Palo Alto, we have no control over the rain. The best we can do is prepare as the Staff and Len have been saying, and then be able to respond as best as possible.

Council Member Berman: Thank you very much. One last question that doesn't have so much to do with what we've seen on the presentation today. Are we doing anything to prepare for additional kind of emergency homeless shelter capacity if all of a sudden we get significant amounts more rain than we expected and all of a sudden it becomes a bit of health risk to our unsheltered population?

Mr. Keene: I think that's something that Bess will pass on to the team. As Len has mentioned, we've been meeting for at least the past three years on a really monthly basis at the top levels in these organizations with all of our expert Staff. At first of course, about how we accelerate the State Regional Water Quality Control Board to give this project the necessary permits that we've yet to fully be able to complete, which is quite unfortunate. That's allowed us to build these strong relationships and continue to do this again at a minimum monthly. Now that we're in the season, every two to three weeks at that level. We'll carry that back. I can say that certainly as we get into some very difficult times, there will be a lot of proactive work on the part of our folks as it relates to identifying, locating as best as we can where homeless folks are camping out and staying and try to do some intercept work in advance of the storms.

Council Member Berman: If we can have some kind of insurance plan ready to be activated if necessary whether it's expanding Hotel de Zink for a certain period of time or whatever possible solutions might be. I'd be willing to bet that folks will get pretty creative as long as there's the supplies necessary if we find ourselves in that situation.

Mr. Keene: We'll be prepared to give the Council more detail on that in the fall.

Mayor Holman: Len, you had some comments to make?

Mr. Matterman: I wanted to add something to the sandbag question that Council Member DuBois asked about. That is we recognize that there are a

lot of questions about the best timing and the best strategy for sandbag deployment. Mr. Fisher mentioned that for his particular property. At the JPA Board meeting on this Thursday at 4:00 in Menlo Park City Council chambers, we're having a presentation on the when, where and how of sandbags. I've been in conversation with residents of Palo Alto who are active in Crescent Park about having a special community meeting this fall, probably in November, about the particulars of how to do sandbags as well as the particulars of this website. We hope to have kind of a large community meeting dedicated to that topic. Thank you.

Mayor Holman: I see no other lights, so just a couple or three ...

Council Member Kniss: Mine was on, Karen. I don't know how to make it work tonight.

Mayor Holman: It's on now. Council Member Kniss.

Council Member Kniss: I realize I am the only one that was here during that flood.

Mr. Keene: (inaudible)

Council Member Kniss: Sitting here. You weren't. One of the comments I would make about that is that—some of you were here—our PR around that was abysmal. I don't think there will be much that is more important than keeping the public informed. You can start way ahead of time. The night that happened, we were sitting in this chamber, and it began to drop. None of us on the Council were even notified before the next morning of what had happened. It's hard to think that you can sleep through a flood, but you can. We don't live in the floodplain. Many woke up in the middle of the night, at 3:00 and 4:00 a.m., to find that they had several feet of water either in their basement or on their floor or wherever that happened to be. It's not a good way to wake up. You don't want to put your feet down and discover there's water on the floor. We heard about it for weeks at that point. It was really troubling. I think the notifications systems are great. I'm not quite sure why people have to register; that's a little bit of a puzzle. Maybe you can explain that. I'd really like to know what do we plan to do for the PR. What you're talking about so far is passive. People have got to go on; they have to find out. How are we going to let them otherwise? What other plans do we have in store? I know that our communications person is here; I see her in the back. I think that's going to be one of the most important parts of this. It doesn't simply start to rain and we flood. It'll take a while for it to flood. Also, would you answer our first constituent who asked about sandbagging on the creek versus sandbagging your house? My recollection is Menlo did a lot of sandbagging in the last flood. I think

we're really talking about the '98 flood more than anything else. I know 2012 was a bit of a nail-biter, but it didn't go over then. It did go over in '98. If you could address some of those. Jim, probably some of that goes to you, especially the PR piece.

Mr. Keene: First of all, I thought we did our best right now to answer the question about the most effective things as far as sandbagging. I thought that the comments were helpful related to what not to do. Len and the Staff are going to have some other sessions in November. We're talking about the need to sort of does and don'ts of sandbagging in the way that we could explain to people. We'll have more on that.

Council Member Kniss: Would someone, though, address sandbagging on the creek? That's the one I'm most concerned about, that we were asked about earlier.

Mr. Keene: Let me just try this again. What we were talking about is that we've been looking at that option, which is a great option in the locations we put it. At the same time, it has the potential to significantly increase the flow downstream, and we have data and modeling from the 1998 storm that identified low-lying areas downstream. Literally, folks have said that water actually would kind of hit the bridge at 101, go up the exit ramp, down into the Saint Francis area, flood low-lying areas in the neighborhoods there. One of the things we've got to be trying to get an understanding of is if we actually impose some actually temporary conditions in one place, is there the potential that it actually transfers that problem to another neighborhood Obviously you can understand the dilemma that we have. Initially we said right off the bat, no, we need to go ahead and do this. We worked out some models to look at how we could in an emergency deploy even across the street itself there to carry more flow, right at the Pope-Chaucer Bridge. We haven't completed all of the analysis on this. This is the challenge that Staff has on trying to—I hope you understand what I'm saying.

Council Member Kniss: I do understand what you're saying, but I think it's really important the public understands what you're saying. The sandbag issue was a very big issue in '98.

Mr. Keene: Joe, did you want to add to that?

Mr. Teresi: Yes, please. In terms of the outreach to the public, unfortunately I'm not sure why I didn't do this. The Staff Report did not include a copy of the recent mailer that the PIOs from the various cities and the JPA put together. I will email that to the Council tomorrow. Not that one.

Council Member Kniss: it was slipped in.

Mr. Teresi: There was another one that was done specifically for the San Francisquito watershed. That's not in your packet; I will send it to you. It, of course, had the link to the new website. It had a pictorial on how to use sandbags and lots of really good, useful information specific to San Francisquito Creek. I will make sure you all have a copy of that in the morning.

Mr. Keene: If I might just add to that. I've just been through a number of these bad sort of situations, disaster situations. I can, one, assure you that we will not handle this anything like 1998. I don't know what happened, but certainly there was lots and lots of complaints, and I've heard about it.

Council Member Kniss: Lawsuits as well.

Mr. Keene: Right. Fortunately, we have a lot more communication channels in this era than we had in 1998. Even all the advance work that we're doing right now, that's not what ultimately really matters. When it starts raining like crazy, that's when we've got to adapt and gear up and be nonstop and use absolutely every communication channel. That means we've got to be on listserv; we've got to be on Nextdoor; we've got the alert SEC systems; we've got to be engaging with the media. We'll have to make our own website way more active. Also it really means there has to be nonstop leadership on our part to be out there paying attention and communicating and talking about what we're getting out and what we're missing. I think that the channels to be able to communicate back to the City about what's missing are also better now than they were then. We would expect that the community would actually get engaged in sharing information about where problems are and how we can push that out. I assure you we will not sleep as long as it's raining.

Council Member Kniss: I'm glad to hear. I think that will make an enormous difference to the community. I think we may think everyone really knows what's happening, but there are a number of people who still really don't use social media. It may even come down to blowing a whistle when it gets bad enough. I'm glad to blow the whistle.

Mayor Holman: Vice Mayor Schmid.

Vice Mayor Schmid: Just a quick comment. I know a good portion of the people of Palo Alto every night go outside and say, "Maybe it'll rain tomorrow. I hope, I hope." To have a session like tonight, where we're talking about the opposite, the dangers of flood, a couple of months before it might happen, the sense of preparation that's going on, the commitment to

do something and to use the resources we have to do it. I think the best comments tonight were those who said this is different from 1998 and 2012, feel a sense of somewhere to go, something to do. I'll know when it comes. Thanks very much for your work.

Mayor Holman: One question that wasn't covered in the presentation, one I'm always asking to get reassurance of. We got an email from a member of the public about Adobe Creek, the channelized creeks and what's been done to clear those and storm readiness.

Mr. Teresi: I saw that email, got a copy of that as well. The issue there, Adobe Creek is an engineered channel that was improved in the early 1990s to convey the 1 percent or 100-year storm event. When the engineers design such a new facility, they assume that it's not going to stay completely clean, so their design includes an allowance for a certain amount of sediment and vegetation to build up. They have criteria whereby they go out every year and do survey work and measure the amount of sediment and vegetation in the channel. Until a trigger level is set, it's not cleaned. They don't have the staff or the money or the capacity to go through and clean every channel every year. They have a strategic plan whereby they make the measurement. As long as it doesn't exceed the allowance that was included in the design of that facility, they're comfortable that the channel still has the capacity to convey the full 100-year flow. They also apply this water safe herbicide which will kill the plant material. During high flows, most of that gets uprooted and just washes downstream. I've talked to the Water District Staff about that particular creek, because I had gotten earlier emails on the same topic. They assured me that based on their judgment and their expertise they feel comfortable that even with that amount of vegetation of sediment, that the channel can still convey the full flow.

Mayor Holman: Thank you for that. Just a final wrap-up comment here. I really want to applaud Staff from City Manager to Len Matterman, the Water District, City of East Palo Alto, Menlo Park and certainly our Palo Alto Staff for collaborating and working together to come to solutions that we have at the ready should we need them. Hopefully they will be adequate to respond to any emergency that might occur. Just to give some added level of security and assurance to people, it should not be overlooked that Joe Teresi, Millbrae Man of the Year, is on the job. We are well staffed and well covered. Appreciate all the expertise and time and commitment that's been dedicated to this purpose. Thank you all so very much.

Agenda Changes, Additions and Deletions

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

City Manager Comments

Mayor Holman: With that, then we will go to City Manager Comments. Jim, you're just in time.

James Keene, City Manager: Thank you, Madam Mayor, Council Members. More than 150 students, families and adults of all ages have already signed up to participate this Saturday, October 24th, as part of the National Make a Difference Day. The event will start at King Plaza outside City Hall at 8:30 Volunteer participants will be deployed to more than 15 different a.m. locations across the mid-Peninsula to work on meaningful service projects. This promises to be a great day. We encourage our community to participate as much as possible. This is the 24th year since National Make a Different Day was initiated. It's now the largest single national day of service with millions of participants across the country. Our Mayor, Karen Holman, and East Palo Alto Mayor Lisa Gauthier and student leaders will commission the volunteers before they take off to do their intergenerational service projects from 10:00 a.m. to 1:00 p.m. They'll return to King Plaza at 1:00 p.m. for food prepared by the YMCA and others. Our projects will include planting trees with Canopy in Bol Park with Perry caring for the new Cooley Landing/Shoreline Park in East Palo Alto with Acterra, taking flowers to seniors at Lytton Gardens, bagging up toiletries at Project We Hope and sorting food at the ecumenical hunger program in East Palo Alto, painting a fence at Belhaven School in Menlo Park and several projects at the Palo Alto Junior Museum and the Baylands duck pond. Any of our folks who would like to participate can show up at 8:30 this Saturday morning and register or register in advance at the website www.youthcommunityservice.org. CPIrelated issues particularly of interest to folks in Barron Park. This Thursday, October 22nd, our City Staff will be hosting a neighborhood meeting in Barron Park to discuss the development of a draft ordinance that we expect to present to the City Council for your consideration at your November 16th meeting. The meeting is scheduled to start at 6:00 p.m. in the Barron Park Elementary School multipurpose room. It will include a brief recap of past actions, direction regarding hazardous materials, uses as it relates to CPI, the business and plating shop at that location, and other businesses in the City and will summarize the elements of the ordinance that will be presented to the Council. California Avenue Trick or Treat Blossom Festival, we want to invite our community to start off Halloween celebrations on California Avenue with one of our most popular Halloween events for the whole family,

the 21st Annual California Avenue Trick or Treat Blossom Carnival which is this Sunday, October 25th, between 10:00 and 2:00 on California Avenue between Birch and Park. The event is free and perfect for the 0-12 year Outside City Hall, you may have noticed the new temporary art installation, Rondo I, in front of City Hall that is part of our Public Art Program to provide diverse ongoing temporary art installations. The public is invited to an opening celebration for the sculpture on the plaza on Thursday, October 29th, at 5:30 p.m. Come meet world-renowned sculpturist Bruce Beasley, creator of Rondo I. Enjoy live music and learn more about the artwork that will remain there until September. You can always more information about out the program cityofpaloalto.org/publicart. Teen events around town. ClickPA which is an app, the one-stop site for teen events. ClickPA, you may recall, was one of the winning apps in the City-sponsored app development challenge a couple of years ago. ClickPA is having a monthly themed photography contest with this month's theme of Halloween. Teens are encouraged to submit photos that convey the spirit of Halloween and entries can be submitted online at clickpa.org/contest. Students United Against Cancer is hosting a kick off on Monday, October 26th, from 6:00 to 7:00 p.m. at the Mitchell Park Teen Center and encourages teens to join this group that focuses on raising awareness of cancer throughout our community. Lastly, Repair Café Palo Alto sponsored by our Zero Waste team. To the public, you can bring your broken stuff and team up with repair volunteers to get it working again at the Repair Café Palo Alto on this Sunday, October 25th to 11:00 to 3:00 at the Museum of American Heritage at 351 Homer Avenue. Don't toss it in the landfill; don't go shopping; repair it; reuse it. You can bring clothing, bikes, computers, small appliances, lamps, mechanical items, small furniture, jewelry, whatever you can carry. Learn valuable fixing skills, how to diagnose problems, etc., or just watch repair volunteers as they do their magic. You can find out more at repaircafe-paloalto.org. That's all I have to report. Thank you.

Mayor Holman: Thank you very much. I believe the person who started Repair Café is being honored this Sunday. Anybody who wants to come honor him, please join us.

Oral Communications

Mayor Holman: Now we go to Oral Communications. We have four speakers. First speaker is Bob Moss, to be followed by Elaine Breeze.

Robert Moss: Thank you, Mayor Holman and Council Members. Periodically for the last 30 years, Cypress Lane has popped up and become an issue. If you're not familiar with it, it's a very narrow street, 20 or 25 feet wide, that

runs behind the 3800 and 3900 blocks of El Camino. For some reason, apparently the 3800 block is City property, because the City has paved that and maintained it for years. The 3900 block is an orphan. It goes through all sorts of problems. At one time not too many years ago, it was basically the trash collector. People would throw all sorts of garbage in there, and the graffiti was pretty bad. It was a real mess. There's about ten pages of history in the packet in letters from the community. Maybe you haven't had a chance to read it yet, because it's not something, I'm sure, you're excited about. It is becoming an issue. The ownership is kind of a mystery. It goes back almost 90 years. Supposedly it's inherited by somebody, but we're not entirely sure who and where they are. In order to provide a good street, which is used by the way, it's used extensively by, for example, people that go into Happy Donuts. They park there and they leave there because you're not supposed to go back out from Happy Donuts to El Camino. supposed to go around through Cypress Lane. As I say, there was a real attractor for graffiti until just a few years ago when I cleaned it up quite vigorously, and it's not too bad now. I think it's appropriate for the City Council to take a strong look at the ownership of that property, ask the Staff to try to locate the owner, contact them, and find out if they're willing to sell it. It's not a big piece of land; it can't be too expensive. It's used as a street. It ought to be dedicated as a public street. This is the only street I know of in the City that is a really used public street that the City doesn't actually own. Of course, it's in Barron Park, so where else would you be (inaudible) something like that. I think it's appropriate to get concerned about it. Somebody on the Council, the Staff should take a look at it. I think we should get it resolved, because we can't let it hang around forever.

Mayor Holman: Thank you. Elaine Breeze to be followed by Andrei M. Sarna-Wojcicki.

Elaine Breeze: Good evening, Mayor Holman and Members of the City Council. My name is Elaine Breeze. I'm with SummerHill Housing Group. The Applied Materials Turkey Trot returns for its 11th year this Thanksgiving morning in downtown San Jose. This is the largest turkey trot in the nation and includes the Mayor's Cup 5K Challenge sponsored by SummerHill Housing Group. Elected officials throughout the region will represent their cities by registering for the Turkey Trot. Cities with the most registrants in their respective size category will win the Mayor's Cup Trophy. Over 20,000 runners participated last year, and we expect another large turnout this year. As in previous years, the Trot will include a 5K run/walk, a 10K run and a kids' fun run for ages 2-7. All profits from the Turkey Trot will go to five benefiting nonprofits, the Second Harvest Food Bank of Santa Clara and San Mateo Counties, the Food Bank of Santa Cruz County, the Housing Trust Silicon Valley, the Health Trust and the Healthier Kids Foundation. We look

forward to seeing you there, and we hope you will participate. I've brought some brochures so Palo Alto can turnout for the Turkey Trot.

Council Member Berman: I'm signed up.

Mayor Holman: You're the first turkey then. Thank you for that. Appreciate it, and to Elaine Breeze for bringing this to our attention. Andrei M. Sarna-Wojcicki to be followed by Ester Nigenda.

Andrei Sarna-Wojcicki: My name is Andrei Sarna-Wojcicki. I reside at 708 Garland Drive. I'm a retired geologist with the U.S. Geological Survey. My comments were addressed to a white paper which I understood was going to be presented to the Council. As it turns out, this white paper that deals with dewatering at construction sites is not ready and has not been submitted. Basically, what I'm doing is just filling in little bits and pieces of what that white paper was to present. Ester will probably fill in some more. As you know, there's a lot of construction, a lot of dewatering at a number of sites. This is using up a tremendous amount of groundwater. This water is being pumped directly by our storm sewers into the Bay. The pumping causes a cone of depression in the area of pumping where the construction site is going on. Construction is using the pumping for basements, to go down to depth. It's for cellars. Very often these are in the flatlands where the water table is high, so there's a tremendous amount of pumping and wastage of this groundwater. This cone of depression of the groundwater table due to pumping at and in the vicinity of the construction site is actually very irregular, could be a very irregular body of removal of water depending on whether sand and gravel channels are involved in the subsurface. It does not only affect the immediate area of the construction site, but also the surrounding houses and the downstream part of the zone of drawdown. It forms an elongate plume of depletion that extends for some distance down slope. This could be documented by a periodic survey of the trees and other vegetations in the vicinity of the pumping site after the pumping is done to determine whether trees and other vegetation is distressed and the plant shape of that distress. Arguments are made that the groundwater still goes down to the Bay anyway, so what's the problem. This does not take into consideration the fact that the two processes, the natural flow of groundwater toward the Bay is quite a different process than the disposal of the water directly into the storm sewers where the water is rapidly discharged by pipes into the Bay. The groundwater under natural conditions flows slowly in the subsurface over a broad and depth into the marshes, into an area containing an ecosystem that is in part progressively fresh water, brackish and saline water going in the direction of the Bay. The fauna and flora that depend on this flow each have their zones of tolerance for the type of water entering the Bay through the groundwater system. The pumping of

water into storm sewers is a rapid process that bypasses the remaining flatlands down slope of the pumping site, with all the trees and vegetation growing upon it as well as bypassing the marshes and depriving the marshland ecosystem from this water. I have a number of other points, but not enough time.

Mayor Holman: Thank you. I do believe there is a question for you.

Vice Mayor Schmid: You mentioned the paper. I'd appreciate it if you could give a copy to the Clerk when it's available.

Mr. Sarna-Wojcicki: I don't have the paper. Ester, who's the next speaker, will give you the name of the person who is preparing the paper, the white paper.

Vice Mayor Schmid: Good, thank you.

Mr. Sarna-Wojcicki: My talk is a little premature. I'll be willing to come back.

Mayor Holman: Thank you very much. Our final speaker under Oral Communications is Ester Nigenda.

Ester Nigenda: Good evening, Council Members and fellow Palo Altans. I am a member of Save Palo Alto's Groundwater. Save Palo Alto's Groundwater is asking the City to enact a temporary moratorium on dewatering and to use this period of moratorium to study the effects of dewatering on our canopy, on nearby properties and on our infrastructure. We have a list of concerns and a white paper that we would like the dewatering study to address. Since time is short, I will focus on only one concern that we have, and that is the drought. Even though I know we've been talking about the El Nino, but the drought is still present. Maybe I should say the recurring droughts that we're expecting. Of great concern to our community is the current drought and the fact that in the past California has faced multiple droughts that lasted 20 years or more. In fact, NASA is predicting that a mega drought is a strong possibility in the near future. In light of the recurring droughts that California experiences and the more severe ones that are expected, many communities are building desalination plants, recycling waste water, harvesting rain water, digging deeper wells, Why is Palo Alto permitting the pumping and dumping of the Because, we're told, it is non-potable. aroundwater? Not only is this community resource which belongs to all of us not being used for its original function of supporting our land, our properties and our infrastructure, it is being wasted for the benefit of a few homeowners. Certainly if the technology exists to make wastewater or seawater potable, groundwater can

be made potable also. Groundwater, as Jeffrey Koseff, a Stanford professor of civil and environmental engineering has said, is really our savings account. It's the last resort. It's what we have to use when there is no precipitation. In closing, we would like the City to see and safeguard our groundwater as the valued resource that supports our ecosystem, our homes and our infrastructure and potentially as a source of potable water during the recurring droughts, not as a construction byproduct waste material for which disposal is inconveniently necessary. Thank you for your attention.

Mayor Holman: Thank you very much to all of you for coming. That takes us to approval of Minutes for May 4, May 6 ...

James Keene, City Manager: Madam Mayor, may I just interrupt just for a second?

Mayor Holman: Yes, sir.

Mr. Keene: I did want just want to advise the Council that the subject of the discussion on the dewatering issue is scheduled for a early December Policy and Services Committee meeting. Thanks.

Mayor Holman: The scope of that discussion will include ...

Mr. Keene: We'll be reporting on the comments and the issues that we've received and what alternatives are. It's primarily to try to get this matter before the Council Committee for discussion.

Mayor Holman: Thank you very much.

Minutes Approval

5. May 4, 2015, May 6, 2015, and May 11, 2015.

Mayor Holman: With that, Council Members, we are then going to approval of Minutes for May 4, May 6 and May 11.

Council Member Scharff: So moved.

Vice Mayor Schmid: Second.

Mayor Holman: Motion by Council Member Scharff, seconded by Vice Mayor Schmid, to approve the Minutes.

MOTION: Council Member Scharff moved, seconded by Vice Mayor Schmid to approve the May 4, 6, and 11, 2015 Minutes.

Mayor Holman: Seeing no lights with any corrections or comments, vote on the board please. That passes on a unanimous vote, 8-0, with Council Member Burt absent.

MOTION PASSED: 8-0 Burt absent

Consent Calendar

Mayor Holman: That takes us then to the Consent Calendar. Council Members will note at places that there is a correction to Item Number 11, which is just to correct the contract number for Pacheco Line Builders. That is a correction at places for Item 11. Council Member Scharff.

Council Member Scharff: I'd like to pull Item Number 19.

Council Member Kniss: Second.

Mayor Holman: I will also support that.

MOTION: Council Member Scharff moved, seconded by Mayor Holman, Third by Council Member Kniss to remove Agenda Item Number 19- SECOND READING: Adoption of an Ordinance Adding Chapter 4.62...Minimum Wage... from the Consent to be heard as the first Action Item.

Mayor Holman: City Attorney, did you have a comment?

Molly Stump, City Attorney: I'm sorry to interrupt the Council's flow. I need to recall, Council Member Kniss, to the fact that you need to recuse yourself from the Williamson Act item when it comes time to ...

Council Member Kniss: Thank you very much.

Mayor Holman: We have then pulled Item Number—the number is ...

Council Member Scharff: Nineteen.

Mayor Holman: Is it 19? Nineteen. We can make that ...

Council Member Scharff: Nineteen?

Mayor Holman: We'll leave it as 19, yes. It's the last item here. We'll leave that as 19, but we'll hear that just briefly this evening.

James Keene, City Manager: That would be first up on the agenda?

Mayor Holman: Yes, first up on the Action Items.

Mr. Keene: This is the second hearing on the Minimum Wage Ordinance. Is that correct?

Mayor Holman: That is correct, yes. Thank you for stating that. Council Member Kniss, was that what your light was on for?

Council Member Kniss: My light was on to second, but also I do need to excuse myself on the item involving the Williamson Act.

Mayor Holman: That is Item Number 15.

Council Member Kniss: Do you want me to explain it?

Ms. Stump: Just state for the record.

Council Member Kniss: Shall I move out of the room afterward?

Mayor Holman: No, you don't need to leave the room.

Ms. Stump: For Consent, you may stay in your chair, but you need to identify the source of the conflict.

Council Member Kniss: Because we do own property that is in the Williamson Act, that is dedicated as agriculture and open space.

Mayor Holman: Thank you. Council Member DuBois.

Council Member DuBois: I wanted to make a comment on Item 16 at the appropriate time.

Mayor Holman: That would be now.

Council Member DuBois: Just real quick. I'd love to encourage Staff to perhaps bring this back. I'd like to see us update our fines particularly for things like grocery stores that are parts of PCs, that are left empty. Also, fines for destruction of historic buildings, that I don't think have kept up with building prices. Finally, I think people have brought up the issue of people abusing EV chargers. There's a fine for overnight use of community facilities. I just wanted to make that quick comment.

Ms. Stump: Thank you, Council Member DuBois. We will note all of those items for a future amendment either of the Administrative Penalty Schedule or for a specialized, more custom item that's coming forward on those. None of those are included in this item tonight, and we encourage you to adopt to update the schedule that is before you. We will pursue those additional items.

Mayor Holman: I want to thank Council Member DuBois for bringing those comments up. I support them. With that, with the correction at places of Item Number 11, with Item Number 15 with Council Member Kniss not participating, and we have some speakers for oral communications, and with Item Number 19 pulled, then we have, I think, four members of the public who care to speak. Three members of the public who care to speak to oral communications. The first speaker is Jeff Hoel, to be followed by—who wants to speak to Item Number 6—Jessica Lynam who wants to speak to Item Number 19.

Jeff Hoel speaking to Agenda Item Number 6: Regarding Item 6, it proposes to replace 65 utility poles. In the document that you heard on the 28th of September, you found out that a number of utility poles aren't tall enough to accommodate fiber to the premises infrastructure. I guess my question about these 65 poles is how many are currently not tall enough and, after they're replaced, will they be tall enough. Thanks.

Mayor Holman: Thank you. Jessica Lynam to be followed by Lara Ekwall.

Jessica Lynam speaking to Agenda Item Number 19: Mayor and Council, my name is Jessica Lynam. I'm here on behalf of the 20 local members of the California Restaurant Association. We are very grateful that you have agreed to pull this item. There is a lot of new information that has come to light since this item has been heard. It's about a regional discussion. Fortunately, the Cities Association of Santa Clara County did have a robust conversation around this policy issue. They did agree to have a regional study which is something that this City did not conduct. We really urge the Council tonight to not only pull this item, but to vote no and wait, wait for the regional study that should be published early next year. something that's going to be put off and delayed. This regional study will look into all the mitigating factors that several members of this community has asked the Council to look into, not only at the Council hearing this last time but also at the committee hearing, such as mitigating factors for specifically tipped and commissioned workers, youth and possibly phasing in a minimum wage over a longer period of time. In addition, the CPI within this region has decreased over the last 12 years. If this Council does nothing and waits for the State minimum wage of \$10 to be enacted on January 1st rather than going to \$11 per hour, then the regional consistency will be closer. It will only be 30 cents. Many cities are not going up higher because, like I said, CPI did decrease. It would be \$10 within the City of Palo Alto and \$10.30 within the surrounding areas, rather than the 70 cents if you did continue to go to 11. We also in addition ask the Council to look to the City of Sacramento who created a minimum wage task force. What they did is they included one individual from every industry within the city,

and they created a work plan to the minimum wage that works for everybody and doesn't put workers and employers ahead of workers. It really creates a proposal that will work for everybody. I have other members of my association who are going to speak tonight. We hope to work forward and work with the Council going forward on this issue of minimum wage. Thank you.

Mayor Holman: Thank you. Lara Ekwall to be followed by our final speaker on this item, Michael Ekwall.

Lara Ekwall speaking to Agenda Item Number 19: Hi, good evening all. My name is Lara. My husband and I have owned the Cuban restaurant here in town since 1997. I'm going to read a long list of Palo Alto restaurants. Respectfully, we are requesting that the Minimum Wage Ordinance be removed from tonight's Consent Calendar. The City of Sacramento, as she said, is leading the way with a task force on this issue. We ask that Palo The following local restaurants are going on the record; unfortunately they are not able to attend tonight. They're probably working. They're, again, asking that the exemption for tipped employees be considered. Here we go. Are you ready? We put this together in two days, so I think extended outreach could generate a lot more. The Kubik Café Group; St. Michael's Alley; Pizzeria Delfina; Old Pro; Local Union 271; Gordon Biersch, coming soon; Three Seasons: Tea Time: Sundance Steakhouse; Zola; Gyros, Gyros, they're really tasty but I don't know how to pronounce them; Pastis; Palo Alto Pizza; Joanie's Café; La Boheme, coming soon; Café Pro Bono; Peter Katz, the managing partner of Counter Intelligence LLC, operating The Counter Burger, that's his legal disclaimer, I guess; Vero Ristorante; Palo Alto Sol; Anatolian Kitchen; Terun Pizzeria; Gravity" Reposada; Palo Alto Creamery; and Jesse Cool, a Palo Alto resident but owner of Flea Street Café in addition to La Bodiguita del Medio. We put that together in two days of outreach while working full-time. I think the City Council could maybe do some more outreach. Without the exemption, your efforts provide no benefit to the lower earners. I am willing to assist to coordinate an outreach meeting of some sort with local restaurants, if you'd like. Thank you very much.

Mayor Holman: Thank you. Our final speaker on oral communications is Michael Ekwall.

Michael Ekwall speaking to Agenda Item Number 19: Good evening, Mayor Holman and Council Members. I won't introduce myself, but tonight I'm requesting again that the Minimum Wage Ordinance—pardon me—is removed from the Consent Calendar. The reason for this is that as restaurants we need an exemption in the ordinance for our tipped

employees. The exemption would keep our tipped employees at the Statemandated minimum wage. Without the exemption for our tipped employees, every penny of the minimum wage increase will go directly to some of our most highly compensated employees. Those who earn tips on top of their hourly wages are included in this group. All of our non-tipped employees already earn more than the proposed minimum wage, and they will receive no benefit from this minimum wage proposal. We understand the motivation for the ordinance; it is well intentioned. We take no issue with investigating getting the minimum wage higher for our workers. Without the exemption to our tipped employees, the ordinance will fail to achieve its goal. Recently I did have the opportunity to meet with the Assistant City Attorney to discuss the exemption. I know that we've heard a lot from some supporters of the ordinance that an exemption is not legal, but that is not true. These folks are attempting to confuse the idea of a tip credit with an exemption for tipped employees. These are two separate and unrelated issues. What we're asking for is to exempt our tipped employees to the State-mandated minimum wage. Additionally as you've already heard from the California Restaurant Association, the argument that no one else has done this is actually not correct. The Federal government as well as almost every other state in the country has some form of this type of compensation model. Earlier this year, as you heard, the City of Sacramento created a task force to study the issue of minimum wage. It actually included most of the stakeholders in the community. ordinance, consideration of tipped income is a part of the consideration. Basically tonight what I'm requesting is that you remove the ordinance from the Consent Calendar and consider exempting tipped employees. Thank you for your time. I hope to credit my extra time from my last event. Thank you.

Mayor Holman: Thank you. Council Members, what we have before us for consideration is the Consent Calendar. As previously stated, Item Number 11 has the correction at-places memo. Council Member Kniss will not be participating in Item Number 15. Item Number 19 has been pulled to become the first item as Item 19 under Action Items. Need a motion for the Consent Calendar.

Council Member Scharff: I'll move (inaudible).

Mayor Holman: I will second.

MOTION: Council Member Scharff moved, seconded by Mayor Holman to approve Agenda Item Numbers 6-18, including changes to the contract number outlined in the At Place Memorandum for Agenda Item Number 11-Approval of Change Order Number One to Construction Services...

- 6. Approval and Authorization for the City Manager to Execute an Electric Enterprise Fund Construction Contract With PAR Electrical Contractors, Inc. for a Total Not to Exceed Amount of \$1,095,179 for the 2015 Pole Replacement Project 3, Which Involves Construction Maintenance Work on the City's Electric Distribution System Throughout the City.
- 7. Approval of a Contract With Pierce Manufacturing Inc. in the Amount of \$657,394 for the Purchase of a Triple Combination 1500 GPM Fire Pumper; and <u>Budget Amendment Ordinance 5350</u> Entitled, "Budget Amendment Ordinance of the Council of the City of Palo Alto in the Amount of \$289,265 to Fund the Purchase of a Fire Pumper Offset by a Transfer From the General Fund and Corresponding Reduction to the Budget Stabilization Reserve (Scheduled Vehicle and Equipment Replacement Capital Improvement Program CIP VR-15000)."
- 8. Approval of a Purchase Order With Leader Industries in an Amount Not to Exceed \$500,471 for the Purchase of Two 2015 Chevrolet G4500 Type III Ambulances and <u>Budget Amendment Ordinance 5351</u> Entitled, "Budget Amendment Ordinance of the Council of the City of Palo Alto for Fiscal Year 2016 in the Amount of \$500,471 in the Vehicle Replacement Fund, Offset by a Transfer From the General Fund and Corresponding Reduction to the Budget Stabilization Reserve (Scheduled Vehicle and Equipment Replacement Capital Improvement Program CIP VR-15000)."
- Approval of a Record of Land Use Action for a Site and Design 9. Application of a One-Story 1,735 Sq. Ft. Single Family Home With an Attached One-Car Garage and Associated Site Improvements on a Vacant 11.04 Acre Parcel of Land in the Open Space (OS) Zoning District Located at 5061 Skyline Boulevard. Environmental Assessment: Exempt From the Provisions of California the Environmental Quality Act per Section 15303.
- 10. Approval of the Purchase of Underground Cable From the Okonite Company in the Amount of \$350,000 per Year for Five Years, for a Total Not to Exceed Amount of \$1,750,000.
- 11. Approval of Change Order Number One to Construction Services Contract Number C15155783 With Pacheco Line Builders, Inc. to Increase Not-to-Exceed Amount by \$500,000 Annually to \$1,500,000 Per Year, for a Total Not-to-Exceed Amount of \$4,500,000 for Increased Costs Associated With Maintenance and Repair Work for the City's Electric Overhead Distribution System, and Budget Amendment Ordinance of the

Council of the City of Palo Alto for Fiscal Year 2016 Appropriating a Total of \$1,000,000 From the Electric Distribution Fund Operations Reserve."

- 12. Approval of Amendment Number Two to the Agreement Between the City of Palo Alto and the Purissima Hills Water District for a Limited Emergency Water Supply Intertie.
- 13. Approval of the Change in Direction by Friends of the Junior Museum & Zoo's Regarding Operation of the New Building.
- 14. Approval of a Contract With TransPac Systems, LLC in the Amount of \$106,590, Contract C16160857 for Consulting and Implementation Services for the City's Police Department's Information Technology Systems.
- 15. Approval of Annual Williamson Act Contracts Within the City of Palo Alto.
- 16. Resolution 9554 Entitled, "Resolution of the Council of the City of Palo Alto Amending and Restating the Administrative Penalty Schedule and Civil Penalty Schedules for Certain Violations of the Palo Alto Municipal Code and the California Vehicle Code Established by Resolution Nos. 9410 and 9535."
- 17. Ordinance 5353 Entitled, "Ordinance of the Council of the City of Palo Alto Adding Section 16.63 to the Municipal Code Relating to Expedited Permitting Procedures for Small Residential Rooftop Solar Systems (FIRST READING: September 28, 2015 PASSED: 9-0)."
- 18. Ordinance 5354 Entitled, "Ordinance of the Council of the City of Palo Alto Changing the End of Term Date for Commissioners Serving on the Human Relations Commission, Library Advisory Commission, Public Art Commission and Utilities Advisory Commission From April 30 to May 31 of Various Years and Making Minor Non-substantive Language Changes (FIRST READING: August 24, 2015 PASSED: 8-1 DuBois no)."
- 19. SECOND READING: Adoption of an Ordinance Adding Chapter 4.62 to Title 4 (Business Licenses and Regulations) of the Palo Alto Municipal Code to Adopt a Citywide Minimum Wage for Palo Alto Employees (FIRST READING: August 24, 2015, PASSED 9-0).

Mayor Holman: Seeing no further lights, vote on the board please. That passes unanimously on an 8-0 vote with Council Member Burt absent.

MOTION FOR AGENDA ITEM NUMBERS 6-14, 16-18 PASSED: 8-0 Burt absent

MOTION FOR AGENDA ITEM NUMBER 15 PASSED: 7-0 Kniss not participating, Burt absent

Action Items

19. Adoption of an Ordinance 5355 Entitled, "Ordinance of the Council of the City of Palo Alto Adding Chapter 4.62 to Title 4 (Business Licenses and Regulations) of the Palo Alto Municipal Code to Adopt a Citywide Minimum Wage for Palo Alto Employees (FIRST READING: August 24, 2015, PASSED 9-0)."

Mayor Holman: We move to Item Number 19 as the first item under Action. Council Member Scharff, since you were the first to move to pull this item, would you care to speak?

Council Member Scharff: I would. First of all, I want to thank the restaurant people for coming out tonight. First of all, I want to say that I want us to pass this ordinance tonight in its exact form, the way it is. I hope we'll do that tonight. I think that we had a long discussion about that. We didn't have the input from the restaurant groups. I think that's a little bit on you guys out there. You weren't here; the restaurants weren't before us, weren't talking about it. I hope you'll engage in the process in the future. To that end, what I'd like to see us do is to direct Policy and Services to have a discussion as soon as possible about this, which would give you all an opportunity to come forward and speak to Policy and Services, have them understand your concerns, have them review it. Then come back to Council with the issue of whether or not we should amend this ordinance which will be in effect by then, frankly, and then you can talk about how it's affected your business, if there is an effect, if there's not an effect. At which point, the Council can then consider whether or not we should have an amendment to the ordinance to exclude tipped employees. To that extent, I'd like to make the motion that we approve the ordinance as written and that we direct the Policy and Services have a discussion as soon as possible about whether we should amend the ordinance to exclude tipped employees and provide a recommendation to Council.

Council Member Kniss: Second.

MOTION: Council Member Scharff moved, seconded Council Member Kniss to adopt the Ordinance and direct the Policy and Services Committee to discuss exploring the option of excluding tipped employees as soon as possible.

Mayor Holman: Council Member Scharff, do you care to speak any further to your motion?

Council Member Scharff: No, I think I've pretty much said what I needed to say.

Mayor Holman: Council Member Kniss, care to speak to your second?

Council Member Kniss: I would also echo Council Member Scharff's comments. Thank you to the restaurant folks who are here tonight, who took the trouble to contact us many times over the past two weeks. It's a more complicated issue, I think, than we probably initially thought it would be. I think at this point what we're saying is we will pass it as is; however, we will refer it to our Policy and Services Committee to look further into it, which also gives the restaurant representatives an opportunity to spend some time in a Committee rather than in a full meeting tonight. That's what we're asking of the rest of you tonight, that you approve it as is but agree to send the question regarding those who are tipped to Policy and Services.

Mayor Holman: Council Member Wolbach.

Council Member Wolbach: I have a question for Staff. When we passed this Ordinance previously, the initial reading, we also gave direction setting a goal of \$15 per hour as a municipal minimum wage by the year 2018. I believe that there was some direction about further Staff and Policy and Services work on the issue in advance of that and in interest of pursuing that. That would also include opportunities for the public to be engaged. My question is what does this motion do that we weren't already planning to do.

Molly Stump, City Attorney: Thank you, Council Member Wolbach. The Clerk can correct me, but I understand the notes to say that the prior direction was to adopt the ordinance, Phase 1, refer the 15 by '18 goal back to Policy and Services, and to look at potential exceptions, enforcement and evaluation of a process for additional discussions that would include tipped wait staff and potentially seasonal and teenage employees as well.

James Keene, City Manager: I just might add. What I hear that distinguishes this is that that was a general directive to us pointing towards a 2018 timeframe. The way I heard the motion was for us to try to schedule this on a Policy and Services meeting as soon as possible. My thoughts were that if this passed, that we would even look at rearranging some items on the schedule, if that's possible to do.

Council Member Wolbach: Given that there's already been direction for Policy and Services to explore this issue, I'll be—actually I just want to

double check. I'd propose a friendly amendment actually, that everything after the word "ordinance" in the motion be dropped, because it's redundant based on what we've already done. Let me say that I definitely appreciate all of the input we've heard. We had heard from restaurateurs and the restaurant association previously. I think that the depiction of this as more complicated than we anticipated is not accurate. I think we have considered these issues. I think we'll be continuing to discuss them regardless. I do think that, for the record, exempting all employees who might be eligible for a tip is a very terrible idea, but look forward to discussing it in the future as was already planned by (crosstalk).

Mayor Holman: Council Member Scharff, do you accept the amendment?

Council Member Scharff: I see nothing friendly in that amendment.

Council Member Berman: I'll second it then.

AMENDMENT: Council Member Wolbach moved, seconded by Council Member Berman to remove from the Motion, "and direct the Policy and Services Committee to discuss exploring the option of excluding tipped employees as soon as possible."

Mayor Holman: Council Member Wolbach, do you need to speak further to your motion, your amendment?

Council Member Wolbach: No, I think I already have.

Mayor Holman: Council Member Berman?

Council Member Berman: Council Member Wolbach said, I think, much more politely what I was thinking, which is this isn't-I want to make sure we don't throw Staff under the bus for something they've done. Staff did outreach to the business community. I've had numerous pleasant conversations with Mr. Ekwall, and I look forward to numerous more pleasant conversations with him in the future. We've heard from the representative from the California Restaurant Association numerous times. I always appreciate what she comes to say. This isn't something that folks woke up yesterday and said, "Wait a second. What's going on here?" We did have a conversation about this at Policy and Services. We did have a conversation about this in our Council meeting. We included in the motion that we would come back to Policy and Services not just to discuss tipped workers as an exemption, but numerous other possibilities. We heard from numerous other industries that there might be unintended consequences to this, and we need to make sure that we have a thorough, deliberate conversation about it before moving forward. I'm uncomfortable with the

fact that this only references excluding tipped employees, because we discussed in the initial motion that it would be a more robust discussion about different industries that might be affected. I also think that we heard from Staff when we discussed this last time, that this is something that they need to do research to be able to come back to us with information so that we can actually have a knowledgeable, deliberate conversation about it. I want to make sure that we don't short circuit that. This isn't something that is simple. Exempting a classification of workers isn't something that doesn't have possible legal ramifications. There's a reason that no other city in California has done it. I'm not saying I'm opposed to it. I agreed earlier that we need to have a conversation about it, and I think we do. But we need to give Staff the time necessary to do the research necessary so that we can have an informed conversation about it. That was what the initial motion said. I was very comfortable with that motion. This is now the third conversation that I'm having as a Council Member on this, and it's the second for the full Council, so I'm very comfortable with the initial motion as was passed unanimously earlier.

Mayor Holman: Council Member Kniss, speaking to the amendment.

Council Member Kniss: Speaking to the amendment, I'm going to vote against the amendment because, I think, this amendment really discusses timing. The other amendment, I think, discusses that there will be the possibility of discussing that. It doesn't talk about when. As City Manager Keene said, this would put some urgency into it. Otherwise, it may go on for some period of time.

Mayor Holman: Seeing no other lights associated with the amendment ... It's kind of hard to ...

Council Member Kniss: You know what? It's thrown off probably because I moved.

Mayor Holman: It is. Is that your light, Tom?

Council Member DuBois: Yeah.

Mayor Holman: Council Member DuBois, to the amendment.

Council Member DuBois: Yeah, to the amendment. First one point for the public. Policy and Services is a subset of Council Members; that's four Council Members. In case that wasn't clear. I have the same concern on the amendment, in that earlier we were talking about considering more broad categories of exemption. I think this is very narrow. I agree with Council Member Kniss that this is about timing. That's one thing. I think

there are categories like overnight care of the elderly, where people are not necessarily working 12 hours that I heard brought up before, to consider an exemption to this. We're saying tipped workers here. I'm worried that's a little too narrow.

Mayor Holman: Council Member Scharff, you have already spoken to the amendment. Do you care to ...

Council Member Scharff: I actually haven't spoken to the amendment.

Mayor Holman: You did in rejecting it. That was your shot unless you need another one.

Council Member Scharff: I didn't realize that was a shot, that I could speak at that point. I actually just wanted to briefly respond to Council Member DuBois. I agree that this is much narrower, but it doesn't take away that we will also have those other discussions later on when we talk about going to 15 by 2018. What this does is we have a substantial segment of the community, most restaurants frankly, a lot of them out there, who have asked us to look at this now. We're going to pass the ordinance is what this suggests, and then look at this issue now and decide whether or not we need to do any changes or amendments to a specific group. It's the only group out here that's complaining about it. I haven't seen anyone else come out and complain about the minimum wage increase. That's why I think this group should be singled out and should be able to come forward on this issue.

Mayor Holman: Council Member Wolbach, you authored the amendment. Do you really need to speak again? We have a full agenda.

Council Member Wolbach: Yeah, just to respond to what was just said. We have heard from other members of the public about a number of the complexities related to this. Those have been mentioned in detail by Council Member Berman as well as Council Member DuBois. We've already had that discussion. Our existing direction is quite clear. Policy and Services has a lot on its plate. I don't think that this particular issue needs to be escalated among all the others that are very important and that do need to happen, but are already on the agenda coming up.

Mayor Holman: With that, vote on the amendment please.

Council Member Kniss: I've got the wrong—now it's correct. The problem is I'm voting with Burt's light, just so that's clear.

Mayor Holman: It's okay.

Council Member Kniss: Actually I'm voting with Tom's lights.

Mayor Holman: It's okay. The amendment fails on a 6-3—wait a minute, somebody's got two lights on up there. Council Member Filseth, are you abstaining or voting no?

Council Member Filseth: I was trying to vote no, but my light (inaudible).

Mayor Holman: We'll take it as a no. It's 5-3 with Council Members Berman, Schmid and Wolbach voting yes.

AMENDMENT FAILED: 3-5 Berman, Schmid, Wolbach yes, Burt absent

Mayor Holman: We return now to the main motion, which is a motion by Council Member Scharff and Council Member Kniss to adopt the ordinance—this is the Minimum Wage Ordinance—and direct the Policy and Services Committee to discuss exploring the option of excluding tipped employees as soon as possible. Council Member Berman.

Council Member Berman: I'd like to offer an amendment, friendly or unfriendly, that ...

Council Member Scharff: I thought you wanted to hurry this up.

Council Member Berman: I didn't want you to bring it up in the first place. To change it to "discuss potential exemptions to the ordinance." I'm not comfortable with the "as soon as possible," but I'll leave it in there. I really want to make sure it's when Staff has done the research necessary and is ready. That's not in the amendment. It's changing "discuss exploring the option of excluding tipped employees" to "discuss exploring potential exemptions to the ordinance." I won't speak to it until if given the opportunity.

Mayor Holman: Council Member Scharff, do you accept that amendment?

Council Member Scharff: I don't, but since it's my only opportunity to talk to it. In principle, I actually don't have a problem with it. I actually don't want this to become where we talk about everything. I want it to be focused and deal with a particular issue in the community. Therefore, I'm going to say no.

Mayor Holman: You need a second to your amendment.

Council Member Wolbach: Second.

AMENDMENT: Council Member Berman moved, seconded by Council Member Wolbach to replace in the Motion, "exploring the option of excluding tipped employees" with "potential exemptions to the Ordinance."

Mayor Holman: Council Member Berman, do you care to speak any further to your amendment?

Council Member Berman: Yeah. As Council Member Wolbach, Council Member DuBois and I have mentioned, we have heard from other elements of the community, maybe not right before the second reading of something we already passed unanimously, but we did at Policy and Services and I think we did at Council. That's why we made the deliberate motion that we did initially, because we were recognizing that there might be some industries including tipped employees and others, people who work in reentry programs, who get out of prison and need opportunities, other different classifications. We should have a more robust discussion about those industries and determine whether or not they should also be increased to a possible \$15 limit or anything above that. That was the intent of the original motion. I thought it was pretty responsible as was. I think all of those industries and classifications deserve a discussion at Policy and Services and would encourage us to have that discussion as soon as Staff is ready to come back with more information that we asked for.

Mayor Holman: Council Member Wolbach, do you need to speak to your second?

Council Member Wolbach: Yeah. I guess the question is what makes this particular concern, of all the concerns that we've heard, more urgent. Without getting too much into depth, the idea of exempting tipped employees, everybody who might be eligible for a share of tips, is a huge segment, a huge segment of service workers and would sufficiently undermine the ordinance as to destroy its purpose. Frankly, I don't see why this is any more urgent or significant than the others that we had said that we would address.

Mayor Holman: Council Member DuBois, did you want to speak to the amendment?

Council Member DuBois: No.

Council Member Kniss: I'm Council Member DuBois, I think.

Mayor Holman: Council Member Kniss. These lights are all ...

Council Member Kniss: I think it goes right back to the same discussion. This is a narrow segment of the community that has spoken out and spoken to all of us extensively. I have not heard from the others who want to be excluded, to be honest. I think that this is a small and important segment of what happens within our community. Back again to timing. I think the original motion which includes the current plan that we have, it simply says move this up quickly. I honestly don't think it's going to take a great deal of time in Policy and Services.

Mayor Holman: With that, we will be voting on the amendment. Council Member Filseth, did you want to speak to the amendment?

Council Member Filseth: I'm going to mostly echo what's been said before here. I disagree with Council Member Wolbach that all potential exemptions are equally urgent. I think this one is significantly more urgent than many others. There are a couple others I'd like to see. At some point or other, we should consider seasonal employment for teenagers, for example. I think this one has priority, and I think we should deal with it forthwith. I think that's our job, to make these choices, and we should do it.

Mayor Holman: Before the Council is to vote on amending the motion to direct Policy and Services Committee to discuss exploring the option of excluding tipped employees with potential exemptions to the ordinance. Vote on the board please. That amendment fails on a 6-2 vote with Council Members Berman and Wolbach voting yes.

AMENDMENT FAILED: 2-6 Berman, Wolbach yes, Burt absent

Mayor Holman: To the City Clerk, we seem to have lost the prior amendment that failed. We seem to have lost the record of that on the screen. With that, it looks like we return to the main motion which was a motion by Council Member Scharff, second by Council Member Kniss, to adopt the ordinance and direct Policy and Services Committee to discuss exploring the option of excluding tipped employees as soon as possible. Vote on the board please. That passes on an 8-0 vote. Congratulations Council. Thank you.

MOTION PASSED: 8-0 Burt absent

20. PUBLIC HEARING: <u>Resolution 9555</u> Entitled, "Resolution of the Council of the City of Palo Alto Confirming Additional Weed Abatement Report and Ordering Cost of Abatement to be a Special Assessment on the Respective Properties Described Therein."

Mayor Holman: With that then, we move to our Action Items in the order that they were originally on the agenda. Our first item is adoption of a

Resolution confirming additional weed abatement report and ordering costs of abatement to be a special assessment on the respective properties described therein. Does Staff have any presentation on this item?

James Keene, City Manager: I do not believe so. We're here if you need to have us answer any questions. This is always such a controversial topic, I know. Thank you.

Molly Stump, City Attorney: Madam Mayor, if you ...

Council Member Kniss: I'd like to make the motion when you close the public hearing.

Ms. Stump: Yes. If you would, open and then close the public hearing if there are no speakers.

Mayor Holman: Yes. I have no speaker cards, so we will open and close the public hearing.

Public Hearing opened and closed without public comment at 9:28 P.M.

Mayor Holman: Council Member Kniss.

Council Member Kniss: I would move the Staff recommendation.

Vice Mayor Schmid: Second.

Mayor Holman: Vice Mayor Schmid will second.

MOTION: Council Member Kniss moved, seconded by Vice Mayor Schmid to adopt a Resolution confirming the Weed Abatement Report and ordering abatement costs to be a special assessment on the properties specified in the report.

Mayor Holman: I see no lights, so vote on the board please. That passes unanimously on an 8-0 vote with Council Member Burt absent.

MOTION PASSED: 8-0 Burt absent

21. Direction to Provide Financial Support of \$5 Million for the Avenidas Construction Project That Will Expand the Capacity of Senior Programs and Services Provided by Avenidas at 450 Bryant Street, Pending Environmental Review and Approval of Final Project Design by City Boards, Commissions and Council.

Mayor Holman: We move then to Item Number 21. We have a few people here with that interest. This is direction to provide financial support of \$5 million for the Avenidas construction project that will expand the capacity of senior programs and services provided by Avenidas at 450 Bryant Street pending environmental review and approval of final project design by City Boards, Commissions and the Council. Staff has a presentation.

Rob de Geus, Community Services Director: Good evening, Mayor Holman, Council Members. My name's Rob de Geus, Director of Community Services. I have a brief presentation to introduce this item. Before I begin, I would like to acknowledge that in the audience we have the current Executive Director of Avenidas, Amy Andonian. We also have longtime previous Executive Director and now the Capital Campaign Program Manager, Lisa Also, I believe in the audience are a number of Board Members and supporters of Avenidas. At the end of my brief introduction, I'd like to offer Lisa Hendrickson a chance to say a few words about the This evening, Staff brings forward a request for our long-term partner, Avenidas, who are asking the City of Palo Alto to contribute \$5 million to their \$18 million capital campaign. Avenidas has been providing the Palo Alto community senior services and programs for the past 40 years. We have a vested interest in their success and hope to see this partnership continue and strengthen in the years to come. Staff received this request; we met internally numerous times and concluded we wholeheartedly support the request. There are a number of reasons for that. First, the City of Palo Alto and Avenidas have had a long and successful partnership. The City recently renewed the lease for Avenidas to use the 450 Bryant Street building for another 50 years, and they've been there since 1977. Secondly, currently one-third of Palo Alto residents are 55 or over. By 2030, its expected that half of Palo Alto residents will be over the age of 55. The mid-Peninsula senior population is projected to increase by 113 percent over the next 30 years. Another compelling statistic is that the senior population for Palo Alto and the surrounding cities will double between 2000 and 2020, and we're well into that already. Thirdly, the Avenidas project includes much needed investment in the existing City-owned building at 450 Bryant Street. The project will address deferred maintenance, seismic upgrades and the replacement and upgrade of mechanical and electrical and plumbing systems of this treasured building. Fourth and finally, Avenidas has a challenge match gift of up to \$4 million if a significant pledge is made to their capital campaign, like the one before Council this evening. This pledge ends at the end of the calendar; therefore, we're bringing it at this time. With regard to Avenidas' project schedule, the design and review phase will be needed like The commitment of funds to the Avenidas capital any other project. campaign this evening does not alter the need for environmental review, approval of the project design, review and approval by City Boards,

Commissions and ultimately back here at the City Council. The project team is hard at work on the design and review process. It's fair to say they're still in the early stages of completing that work. The City's Office of Management and Budget considered the funding options. If Council votes in support of the \$5 million commitment, it is estimated the payments will be provided in two installments; one in Fiscal Year 2017 and the other in 2018. The recommended source of funding to make such payments would be, one, from the sale of transfer of development rights, TDRs, similar to the transaction for the Palo Alto Historical Museum. Staff estimates that could generate approximately \$2.8 million. The second source could be from the Community Center Development Impact Fee Fund. That fund has an existing balance of approximately \$5.2 million. That concludes Staff's introduction. We look forward to hearing Council's comments and guestions. At this time, I'd like to offer Capital Campaign Manager Lisa Hendrickson to say a few words.

Mayor Holman: Welcome.

Lisa Hendrickson, Avenidas Capital Project Manager: Hello. Good evening, Mayor Holman and Council Members. mentioned, it's been almost 40 years that the City and Avenidas have been partners in providing services to local seniors. The City has provided a building and some funding, while Avenidas has developed and operated programs and augmented the City's funding with its own fundraising. Today, we offer a comprehensive continuum of activities and services, and we fund 90 percent of our operating expenses. The City funds 10 percent. Others have noticed this very successful public-private partnership. We've welcomed visitors from up the Peninsula and across the country who want to start an Avenidas in their own community. They admire the breadth of our services and our responsiveness to our customers. They come to see how we've continued to evolve and innovate as we customize our offerings for our unique community. You won't find bingo at Avenidas, but you can take Instead of woodworking, our participants are working Mandarin classes. with entrepreneurs to design new products for the mature market. Avenidas' programs have been replicated across the country. While traditional funding sources for senior services are drying up elsewhere, our public-private partnership with the City is applauded for expanding local resources for seniors in our community. These very same visitors that come to Avenidas to learn about our programs don't come to see the building anymore. Most, frankly, are fairly startled when they walk in our doors. In the mid-'70s when our partnership began, the City leased the then-vacate police and fire station to Avenidas, and a community group raised \$1.2 million to build the dining room, the kitchen and do some minor modifications, so that we could open the building as the City's senior center.

It's time for us again to join together to upgrade and renovate our aging building. We estimate that the full cost of renovating and remodeling the historic building is about \$10 million. Of this, at least \$5.4 million can be attributed to building upgrades including the building systems, seismic upgrade and an ADA compliant elevator. No, we don't have one of those. All of the City's \$5 million in funding that we are requesting tonight would be allocated to these upgrade expenses of the historic building. In addition as you know, we're planning on building a wing at the rear of the building. We're in the early design phase of this part of the project, and we know we don't have it right yet. We will be returning with a design alternative that we hope and expect will meet with broader acceptance. We would expect that your approval of funding tonight would be conditioned on full review and approval of the final project design. We have the opportunity to again work as partners and invest in the Bryant Street center to assure that it meets the needs and expectations of current residents and the next generation of seniors. Let's work together to bring our Bryant Street center into the 21st century. Thank you.

Mayor Holman: Thank you. Rob, do you have any further comments?

Mr. de Geus: No, that concludes our presentation.

Mayor Holman: Very good, thank you. We have a few speakers to speak to this item. When your name is called, if you'd come to the front, it would help us move forward with the item. Linda Jolley is our first speaker, to be followed by Bruce Heister. Again, when you hear your name called, if you'd move to the front row, that would really be much appreciated.

Linda Jolley: Council Members, I have eaten at Avenidas Senior Center many times, so I'm kind of on the inside. I have never seen one of you people at any of the lunches. I urge you to come there and find out what is actually happening. It may be quite different from what is presented here. I'm sure you know that once a bureaucracy is funded, it grows, it generates PR and its main purpose often is to grow and get more money. I know you know this. I want you to come out to Avenidas and find out what is actually happening. The first thing you're going to find is there is not a parking space anywhere in the area for you most of the time. The garage is full; the streets are full; everything is full. What are you going to do with the extra people who are brought to this new, expanded program? You're going to bring these seniors in on skateboards? You need to consider all aspects of this. The next thing I want you to do is go actually look at the facility and what's there. We have a lot of people here claiming that Avenidas is overflowing. I inspected the entire building; I didn't find any overflowing. I found a lot of empty rooms. In fact, I went down into the basement

because I needed a Wi-Fi signal which they refused to give me upstairs, and used the basement many times until I was thrown out of it by people who did not want to give me a Wi-Fi signal. I found the basement was largely unoccupied every time I was down there. It was full of expensive computers which the public has paid for, and these computers were just sitting there. Almost never was anyone using a computer. You've got a big basement just going to waste. I went upstairs; I found plenty of empty rooms. It is not overflowing. I submit to you that there may be some people here who are trying to pull your leg. I think you ought to come out there and have lunch and talk with people and find out what is happening. There are many people who are too elderly to come here but strongly object to the expansion. For one thing, they're going to lose the patio that they enjoy apparently. The construction will make it impossible for them to eat in the usual comfort of the massive destruction. We have severe problems at Avenidas. There are There are people who have been thrown out of the program, customers who have been thrown out without anyone hearing their side of the story. Democratic procedures have not been followed. Complaints are very difficult to lodge. If a person complains, they're going to be told that, "Avenidas doesn't run La Comida. They're two separate things." They dodge complaints; they have a lot of problems. I think ...

Mayor Holman: Ms Jolley.

Ms. Jolley: I'm leaving. You need to investigate these before you throw \$5 million at it.

Bruce Heister: A little bit of a hard act to follow. I'm not going to give any rebuttals. I'd like to ask the present and former Members of the Board of Avenidas to stand. For over ten years, these community volunteers and the staff of Avenidas have been working on expanding and ideas of how to expand the capacity of Avenidas to meet the growing population of seniors. Updating the Bryant Center has been at the top of this list. While other communities have built brand new senior centers, Mountain View, Sunnyvale, and I even found one in Redwood City today. Our center doesn't function well as a community center. The aging systems have become increasingly expensive to maintain. Repairs are constant. More people are commenting that the building is depressing, that it's tired looking. Those are quotes. We have been convinced that this remodel and upgrade is imperative to assure that Avenidas remains relevant and vital to this The project is extensive, but the Downtown location and favorable lease make it worth it. Today, an average of 360 people come into the building each day; that number has been increasing. More than 40 percent of them do not drive their cars there. They walk, arrive with bus transportation, the Palo Alto shuttle or other means of reaching that center.

Obviously a Downtown location with particularly a good Palo Alto shuttle system is very attractive for people to go to a center. As Lisa mentioned, there's a lot more work to be done on the design of the new part of the Meanwhile, we are actively fundraising to assure that we have funds on-hand when construction does begin. One of the things we've learned as we meet with prospective donors, it's become clear that the community wants the City to help with the cost of renovating its 90-year-old Also, as we identify more and more costs associated with renovation, the project budget has grown beyond the capacity of Avenidas to fundraise. For these reasons, we have requested the \$5 million from the City for the modernization of the existing building, not the expanded building. Your approval of our request tonight would enhance our ability to secure a large donation and obtain a matching gift. We have a donor who is willing to match one more gift up to \$4 million provided that gift or pledge is received by December 31st. Unfortunately, the City's funding does not qualify for that matching gift, so we are interested in moving forwarding. It does help us if we get that City's money and we can move on for \$8 million in gifts to us.

Ginger Johnson: Good evening, Council Members. I want to commend you for doing this every week. I think it's amazing, amazing service to the City. My name's Ginger Johnson. I've lived in Palo Alto 50 years. I want to talk to you a little bit about Avenidas tonight. I was on staff for a number of years, but I'm now going to talk to you as a participant, as a client so to speak. I think some folks who haven't been over there think that maybe we're a bunch of doddering old fools. On the contrary, we're just the opposite. Avenidas is there to keep us from being doddering old fools. Let me give you a couple of examples. Of all the hundreds of activities and services we provide, I've picked a couple. The first one I think of is our life stories program, where people every week come and write small pieces on important instances in their lives. They read them to each other, and they critique them. They hone their skills, and they end up with really a biography of their lives for themselves and for their descendants. You would be amazed at the liveliness of the writing and the interesting stories that all of us have. This is among hundreds of activities. Another example is our current events class, which is now self-run, not run by a paid teacher. There are four of us moderators. When it's our turn, we do research on the important items of the day. We present them, and then we have a lively discussion period. It is very lively and very informed, I think you would find. I'm telling you this because I think Avenidas is so important to the community. We're so proud of our schools, and we're so proud of our libraries. We take care of the first half of life tremendously. I think it is imperative that we take care of those of us in the second half of life by making Avenidas a state of the art facility. I think we would be, frankly, a

laughingstock if we did not upgrade this facility to be state of the art. Thank you.

Kenneth Huo: Mayor and Council Members, my name is Kenny Huo. I'm an architect, but I'm also a caretaker for my 94-years-old father who visit Avenidas five days a week. He's very motivated himself, even though my mom passed away 18 months ago. We were frequent user there. father, every day he wake up around 7:00, and then I need to kind of just accompany him to take care of him. I have three things to share. Firstly, I support the modernization of the Avenidas project. The only way to do that—I think the whole point is make sure that we make the senior more visible in our community. Recently I attend a very interesting campaign at Stanford. Al Gore was there, and their campaign title was Know Tomorrow. I learned that in order to know tomorrow, we have to know yesterday and know today. The way to say that is because there was once that I took my father to visit the senior center at East Palo Alto. The director there saw how I took care of my father, and he say, "Kenny, you're exactly right. Your father is a retired dentist; he took care of a lot of people for 50 years. Even if he's hard of hearing, he's deaf, we need to take care of him." It's not because my (inaudible) as a Chinese born and raised in Taiwan, we care about senior. We need to make sure the senior has to be visible in this community. On that note, I want to bring up something happen to my father at 2007 and 2014. He was struck by a (inaudible) bus once on Webster. The other time was just last year. He was struck by a truck on Waverley. From there on, he wear a safety vest walking on the street; he's a walker. I, myself, as an architect, we know that accessibility is critical, but accessibility is not really an abstract concept, rather something we need to pay attention to. The other thing I want to mention is that nowadays for visiting Avenidas there are a lot of seniors coming from other countries, a lot of Chinese seniors. My father, even though he has been here for about 30 We feel that the invisibility is not because that he doesn't communicate because he's deaf or he's an immigrant to this community. Whichever way we can make the seniors more visible in the community, we celebrate the senior and their aging condition, I will appreciate that. Thank you so much.

Jim Stinger: Good evening, Mayor Holman, Vice Mayor Schmid and Council Members. Thank you for the opportunity to speak in support of Avenidas. My name is Jim Stinger, and I live on Christine Drive in south Palo Alto in a house that my wife and I have lived in for almost 40 years. When it comes to Avenidas, I have two hats, one which I no longer wear and one which I'm wearing with passion. The hat that I no longer wear is my Avenidas Board hat. In the mid-2000s, I had the opportunity to serve on the Avenidas Board. At that time, one of the items that we discussed was the renovation

and expansion of the Bryant Street facility. However, the Great Recession came along, and that project was put on hold until now. That experience on the Board gave me the opportunity to see firsthand how well run an organization Avenidas is. The staff and management of Avenidas provide an excellent set of programs and services within the confines and limitations of the facility at Bryant Street. Which brings me to my second hat which is the one that I wear now with passion. I retired ten years ago from Hewlett-Packard after a 33-year career in software development. During my time at Hewlett-Packard, I kept up my interest in drawing, an interest that I acquired at a very young age. I had never tried painting before. Two years after I retired, I noticed that Avenidas was offering a beginning watercolor I decided to take it. It didn't take me long to fall in love with watercolor painting. It is now my passion. For the last eight years, I have taken beginning, intermediate and advanced watercolor classes at Avenidas, but painting requires good light. The room that we have our classes in does not have good light. It has fluorescent lights in the ceiling which reflect off of the surface that we're painting on and make it hard for us to paint. I look forward to the day when I can paint in the new art room of the new facility, which will have good lighting and allow me to paint better. I would urge you to support the proposal before you this evening. Thank you.

Dr. Peter Cheng: Good evening, Mayor Holman and Council Members. name is Peter, and I've been serving the community as a physician for the last ten years at the Palo Alto Medical Foundation. My medical specialty is called geriatric medicine where we promote the wellness and health of our senior citizens in the community. I'm speaking to you for three reasons. First, I feel that the clients that Avenidas serves are our citizens. They're our patients in the clinic. In fact, we share a lot of the same patients and clients and working together to find ways to promote healthy aging and to try to prevent problems that creep up with aging. As a doctor, we do a lot of doctoring with pills, procedures and with surgical instruments. I can tell you the best medicines are happening oftentimes outside of the walls of the medical clinic and in places like Avenidas. Avenidas is a place that is full of activities. It's full of vibrancy, and full of life. It is not the first thing many people think about when they think about aging. To me, it is a building that is overdue for a refreshing. I've seen some of the new designs, and they are very, very age-friendly. They're thoughtfully done, and they represent the future of aging and aging design. I want to let you folks know that I feel blessed to be serving the citizens of Palo Alto, which is a pretty amazing city with lots of innovation, smart people and great ideas. I can tell you, as we serve our senior citizens, we have also the same quality of people with their smarts, enthusiasm and ideas. I would like you to really consider upgrading our Avenidas to reside in a world-class building that it deserves. Thank you.

Larry Klein, Avenidas Board Member: Thank you, Madam Mayor and Members of the City Council. I'm speaking tonight as a member of the Board of Avenidas, which I joined in July of this year. I had previously been on the Board of Avenidas back in the '90s and several times when I was on the City Council. From 2005 to 2014, I served as the Council liaison to Avenidas. Not surprisingly, I have a very high opinion of the organization. Let me make hopefully time for three points to you. The first is that this is a public-private partnership created long before that phrase became so popular. I think we owe a debt to whoever the people were on the Council back in 1970-75 who went into this agreement with what is now Avenidas. This public-private partnership had a lot of different reasons. One of them was that Avenidas is able to do fundraising which, if the City was running its senior programs, really would not be a possibility. Cities don't do My calculations are that the fundraising past and present of Avenidas saves a little over \$1 million a year. If the City had to run these programs, it would have to come up with that money. Interestingly, that savings of over \$1 million a year is basically four to five years of the money we're asking for the City to come up to help refurbish this building. This building needs refurbishing. As you know, it's almost 90 years old. When Avenidas took it over back in the '70s, only minor improvements were really made to transform it from a police station and a jail into something that could be used by our seniors. Anybody who is a pro in the real estate business will tell us that you have to rehab buildings over time. That means not just the necessary maintenance and the occasional replacement of roofs, but a major rehabilitation from time to time. That's never occurred with this building. It's time for it now. It's really tired. That's what we're asking for tonight. I hope you looked at the letter that we furnished to you signed by 14 former City Council Members. I circulated that and asked some of our former colleagues to sign. Nobody said no to me; not everybody responded, but nobody said no. All those 14 said yes. One person had to say that she couldn't participate because of a conflict of interest. I think that shows that down through the years, we've had a tremendous amount of support. think this is the time for us to really make our Avenidas program a model. It's already a model, but to bring its facility up to the standard it ought to be. Thank you.

Amy Andonian, Avenidas CEO: Good evening. I'm Amy Andonian, President and CEO of Avenidas. I appreciate this opportunity to speak before the City Council this evening. Some tough acts to follow here. Tonight you've heard from a number of friends and supporters of Avenidas. I'd like all of them in the room to stand and show their support of this request. You heard from Bruce Heister, our Board Chair, who 17 years ago after a successful 35-year career spanning technology, marketing, strategic planning and general management, decided that he and his wife would retire in the vibrant City of

Palo Alto. You heard from Lisa Hendrickson, Avenidas' past President and CEO, who is so deeply committed to this organization and to this community that she has stayed at Avenidas for more than 16 years. This plan to expand Avenidas' Bryant center in Downtown Palo Alto has been her vision for almost ten years, a vision that I am now proud to step up and support through my new role as the new CEO of Avenidas. You also heard from several of our clients and community partners who spoke from the heart about what Avenidas means to them. Indeed, Avenidas has made a meaningful and lasting difference in the lives of so many individuals in our community, and it will continue to do so for decades more to come, especially as our population continues to age. As previously mentioned, we have enjoyed a strong partnership with the City of Palo Alto for over 40 The City has generously allowed us to operate out of its historical Birge Clark building at 450 Bryant Street. The Bryant Street center is conveniently located for the hundreds of people who use it every month. We're actively preparing the center to serve the next big generation of older adults, the Baby Boomers. The \$5 million that we're requesting will enable us to bring the building into the 21st century and to provide a wealth of new programs and services to reach an even greater number of older adults and their families in Palo Alto and beyond. Beyond that, we will continue to seek creative ways to be a senior center without walls, bringing our programs and services out into the wider community including south Palo Alto. The Bryant center is our home; we too want to age in place in the home that we know and we love. The City of Palo Alto is renowned for its entrepreneurial and pioneering spirit. There's no doubt why so many older adults want to age in place in Palo Alto. We sincerely thank the City for our ongoing partnership and hope that you will approve our \$5 million request this evening so that we can continue to innovate and turn the concept of a traditional senior center on its head. In doing so, I am confident that we will continue to serve as a role model for the rest of the nation and perhaps the world. Thank you.

Herb Borock: Mayor Holman and Council Members, it's after 10:00 p.m. I'd like to remind you that your procedures say that before 10:00 p.m. the Council will decide and announce whether it will begin consideration of any agenda items after 10:30 p.m. and, if so, which specific items will be taken up. On this agenda item, the Staff Report on the first page recommends that you contribute financial support of \$5 million. On the last page of the Staff Report, it says that the City's expenditure of funds is subject to environmental review and the scope of the project is still evolving. Once the project plans are settled, then you'll determine what the environmental review would be. As you know, under the California Environmental Quality Act, you can't approve a project until you've done the environmental review. You can't segment a project, and you can't make conditional approval for a

Any of those would be a prejudicial abuse of discretion and a violation of the California Environmental Quality Act. I'm surprised that so much effort has been made to bring people here tonight, when the people organizing all these people to come here knew or should have known that this is a project subject to environmental review, and that you're constrained in what you can approve or not approve. Bruce Heister indicated a segmented project, the \$5 million is just for the current project. Hendrickson said it would be a conditional approval. The Staff Report is confusing about the \$5 million of whether it is a match for the challenge grant or whether it'll somehow encourage somebody else to match the challenge grant. Bruce Heister made it clear that it is not a match to the challenge grant and, therefore, the deadline of the end of the year, because it's related to the challenge grant, has nothing to do with the need for the \$5 million at this time. There are nine other communities that have citizens who use Avenidas. It's not a majority of the people use Avenidas, it's something less than 50 percent, but it's a large number, while the City of Palo Alto in terms of providing the land is providing millions of dollars worth of support. There's no indication any of those communities are supporting Avenidas in the same way relative to the number of their constituents who use Avenidas. Some of those are wealthier than Palo Alto if you do it on the basis of per user. We're talking about Stanford, Atherton, Woodside, Portola Valley, Los Altos Hills and Los Altos. Thank you.

Mayor Holman: Thank you. Does Staff have any wrap-up comments or response to any of the speakers? Okay. Council Members, a couple of things here. One is that when it comes time for a motion, Council Member Kniss had asked much earlier today if she would be allowed to make the motion, because she has been liaison to Avenidas for a number of years. I think that seems appropriate. In the meantime, if you have questions or comments, why don't we do a round of three minutes each? Before we go to that, Herb Borock is correct it's 10:00. It would be a good time to get indication if the Council's pleasure is to conclude tonight's agenda. There are three items after this on the agenda. Each of them is considered to be fairly short items, each one being allocated 15-30 minutes. Can I see indication from Council Members that we are willing to conclude the agenda this evening? Council Member Berman.

Council Member Berman: I might ask if we—just because I know we often have ambitions of things going quickly and they don't always do that. Might we want to reorder things? I'd like to see the Colleagues Memo move up in the order, but I don't know how time sensitive Items 22 and 23 are. That's a question more for Staff than anybody else.

Mayor Holman: City Attorney.

Molly Stump, City Attorney: Madam Mayor, Item Number 22 is somewhat time sensitive. Item Number 23, quite a bit less so.

Mayor Holman: Council Member Berman is interested in transposing 23 and 24. Council Member Wolbach.

Council Member Wolbach: First a quick question for Staff. Do we have Staff who is here specifically to speak to Item 23?

Ms. Stump: The Planning Staff consulted with the City Manager and I, and we will handle that item ourselves. We do not have Planning Staff here on 23, no.

Council Member Wolbach: In that case, I have no problem with transposing one way or another. My preference would be to try and get through the entire agenda this evening.

Council Member Berman: I guess I'd move ...

Mayor Holman: Council Member DuBois, you had question—I'm sorry. Council Member Kniss, Council Member Kniss.

Council Member Kniss: I think the one that, unless we see some real urgency to it, that I'd like to see put off for tonight, because I know a lot of people want to speak to Number 24. Even though it's just a referral for tonight, a number of people have said they'd like to come and speak about it.

Mayor Holman: Council Member Scharff.

Council Member Scharff: I actually did have a number of questions about Item Number 23. I'd probably take ten minutes on my own just asking Staff a bunch of questions on it. I wanted to make that clear. I was a little concerned that Planning Staff isn't here to be able to answer them, but maybe that's not an issue. I did want to say that.

Mayor Holman: Council Member Berman, back to you.

Council Member Berman: I would just move that we transpose Items 23 and 24 and do our best to get through everything but reevaluate based on how things go.

Council Member Scharff: I would second that.

Mayor Holman: We have a motion on the floor then to transpose Items 24 and 23.

MOTION: Council Member Berman moved, seconded by Council Member Scharff to hear Agenda Item Number 24- Colleagues Memo Regarding Studying Policy to Increase Accessory Dwelling Units (ADU's) before Agenda Item Number 23- PUBLIC HEARING: Adoption of an Ordinance to Amend Chapter 18.79...Development Project Preliminary Review... and make every effort to complete the Agenda this evening.

Mayor Holman: I see no other lights. Vote on the board please. That passes on a 7-1 vote, Council Member Filseth voting no and also with the indication that we intend to complete the agenda this evening.

MOTION PASSED: 7-1 Filseth no, Burt absent

Mayor Holman: With that, we return to the item ...

Council Member Kniss: Mayor Holman, could I make one suggestion? You suggested a round of three minutes each. I would hope that if we don't need to speak for three minutes, we don't.

Mayor Holman: I would hope that's always understood. Questions and comments?

James Keene, City Manager: Madam Mayor?

Mayor Holman: Yes, City Manager.

Mr. Keene: Just one other thing. I think the motion spoke to trying to complete the meeting agenda by this evening. Evening would end at midnight. Would that be correct?

Mayor Holman: That is probably pretty close to accurate.

Mr. Keene: I'm just saying as opposed to tomorrow morning. Thank you.

Mayor Holman: It would be midnight as opposed to 11:30 which was scheduled.

Mr. Keene: 11:30 sounds even better.

Mayor Holman: Council Members, three minutes, questions and comments. Council Member DuBois. Now they're lighting up. Council Member DuBois.

Council Member DuBois: I had a question about the use of TDRs. If we wanted to use other sources of funding other than TDRs, what would be the options? Since it's a City-owned building, is there other, like a maintenance budget for City property?

Mr. Keene: We felt pretty fortunate in being able to both have half of the funding in the Development Impact Fee amount and the fact that you could do TDRs. You had done something quite similar recently as it related to the History Museum. I would just also say that the proposal calls for disbursing funding over a two-fiscal-year period, evenly divided. I think if the Council were to decide you didn't want to use TDRs, we would have to just have a discussion. I think we should start that discussion this fall during the Budget, as far as identifying whether there are other alternatives, so we could have enough time to plan for that also.

Council Member DuBois: I support the \$5 million, but I don't support the use of TDRs. I have a concern we haven't had the Downtown Cap come back to us. If you add in the TDRs, I think we're at our cap. I think we should have a separate policy discussion on a separate date about the TDR program in general. Tonight, I mean the way I'm looking at this is it's an existing building, it's owned by the City, it needs upgrades. It's great to reuse this old fire and police building. We've deferred maintenance. I think it's important for Avenidas that they can get this \$8 million in matching funds, which will take them quite a way in their capital campaign. Also, I've She's mentioned that this doesn't preclude a future talked with Lisa. consideration of maybe a second location depending on what happens with Cubberley, for example. I mean, those are kind of separate discussions. I think it's important to point out in the Staff Report, we're currently funding this at 10 percent of the budget. I think it's a great way to leverage our money to provide services for seniors. Again, my main concern is the issue of TDRs and we continue to rely on TDRs. I did have a question for the City Attorney from the last speaker. If we view this as essentially maintenance for the existing building, does that imply any approval of future expansion plans?

Ms. Stump: The way the item is structured is for the Council to make a commitment of \$5 million to fund seismic and maintenance and rehab improvements to the existing building. We think that's perfectly permissible. They have been straightforward. They're obviously hoping to do an attendant project that would involve some expansion. There will be environmental review, and that part of it would be contingent on the environmental review for that larger project as well as approval of Council.

Council Member DuBois: We'd be committed regardless of whether the expansion happened or not.

Mr. Keene: No. May I interject on that? We were silent on that issue in the Staff Report. I think that Ms. Hendrickson pointed out that—I don't want to hold her to the way it was expressed—the expectation that this \$5 million

would ultimately be contingent upon there being a satisfactory approval of the project in some form going forward. The recommendations we had did not speak explicitly to that, but the Council could look at crafting the message any way that you might want to, to do that tonight. You could either leave it as we did or whether or not you would find that other piece helpful or just decide this in the future when we go down the road. I would also add we weren't explicitly recommending that the Council again have to include in the motion the funding sources for the commitment at this time. We have identified that there are available funding sources. As I said earlier, I think the fact that we've got two future Budget years in which the funding would have to be put out. There's more than adequate time for the City Council to make those choices.

Council Member DuBois: I know my time limit is up. I think I heard two different answers. If you could help me clarify in terms of whether the project is segmented or related.

Ms. Stump: We think that it's permissible at this stage for the Council to take this action this evening to set aside these \$5 million to fund the seismic and rehab work on the existing building. That will be acceptable.

Mr. Keene: I would also go ahead and point out that the Council already made an earlier decision this year when you extended the lease for another 50 years. That was explicitly acknowledged that one of the rationales for that was they were going to need to be looking at making improvements for the long-term viability of the project, and not having a long-term lease would not be effective in being able to do that. I think we already have a record of supporting at least the opportunity to kind of explore going forward. That's really what's happening here.

Council Member DuBois: Thank you.

Mayor Holman: Vice Mayor Schmid. Again three minutes.

Vice Mayor Schmid: I just want to enthusiastically support the motion tonight. I think the case has been made the demographics of the City are changing dramatically. There would be more seniors. Two, I think what we've heard tonight about expanded services, tech centers, wellness, art, stories, a whole range of activities going on there that are important and vital to a city. I think the historic property is really what we're talking about tonight. It is one of the outstanding examples of old Palo Alto in town. It belongs to the City, and to invest money in maintaining and upgrading makes a lot of sense. Fourth, I think the case has been made that it's a great joint venture, public-private, working together for the community. I want to state two qualifications. TDRs is not going to go very far.

recommend you take that off the list, and let's explore other means of financing it. To increase the parking deficit in Downtown is not what we're doing at the current time. That doesn't make sense to me. The other thing is that important to recognize that one-half of the seniors will be living south of Oregon Expressway. To be a vital senior community, we've got to figure out ways of either getting them there or moving some activities to other parts of town as well.

Mayor Holman: Just one (crosstalk).

Mr. Keene: May I just make a comment about TDRs?

Mayor Holman: I was going to make a clarification that TDRs due to Council action earlier this year, TDRs have to be part.

Mr. Keene: In this particular case, it's connected to the seismic or the historic improvements. The TDRs only provide the density; the density still has to park itself.

Vice Mayor Schmid: Right. I guess the main issue is the density in the Downtown.

Mayor Holman: Council Member Filseth.

Council Member Filseth: Thank you. I have two questions. The first one is I don't support using TDRs either. I think TDRs are not free money. They're another form of selling zoning. I think the community says they don't want us to do that anymore. I think if we're going to spend \$5 million, then we should spend \$5 million. My first question is if we do that and commit \$5 million out of Community Services for this, what falls off the list? What are we giving up by doing that?

Mr. Keene: Council Member Filseth and Members of the Council, I think it's too early to say that. You have a funded Infrastructure Plan. We are in a period where we have been under-spending and over-collecting revenues each year. I think that there's sufficient flexibility in the Budget over the next two years for you to consider different alternatives, but it will be a tradeoff one way or another. I would just harken back to I know that it's not an exact quid pro quo, but it's a lot less money than if we were to have to figure out how to leverage improved senior services over time in the City. If that were really factored in, that would be another already preexisting cost that's out there. I think it's doable.

Council Member Filseth: So TBD. That actually sort of leads into my second question. I think spending money on senior services is a good thing. I think

this is an appropriate thing to do. That said, I think the refurbishment of the existing building versus construction of a new building, I think that delineation is a little bit artificial. It seems like one project to me. If we approve setting aside money for this, to what extent are we approving this particular implementation of that project? I think Ms. Hendrickson touched on this earlier. I think this particular project is a mixed bag. To what extent are we committing to this versus we haven't seen what the final is going to look like?

Mr. Keene: When we're saying this particular project, you're talking about the project as it relates to the plans that they had?

Council Member Filseth: That one.

Mr. Keene: Molly, you can jump in. I don't think that there's any commitment that you're committing to that particular project. I think they've already identified issues related to it as far as parking, how the design works, lots of other issues. I think that it's clear that that's a conversation that's got to unfold with the Council. I think we put in the Staff Report the various Boards and Commissions. There's always the possibility that you could get to a point in the future where the project as proposed is not able to be approved. It's in the Council's purview ultimately.

Ms. Stump: I agree. It's working its way through the preliminary processes. When it comes before you, you'll have full discretion to act on it. If you want to make that clear and explicit in any motion tonight, that would be fine to do that.

Council Member Filseth: Thanks.

Mayor Holman: Council Member Berman.

Council Member Berman: Thank you. Thank you guys all for coming tonight and for the work that you've put into this to date and, I'm sure, the work that's still left to be done regardless of what happens tonight. I ran for City Council because I was worried that Palo Alto was living off of infrastructure investments that were made 40 or 50 years ago or more and that hadn't prepared a community for me to live in for the next 20 or 30 or 40 years. Here we have an instance where we have an infrastructure asset, a Cityowned asset, that was built 90 years ago and hasn't had the necessary improvements that it's needed over the past 90 years. We are an aging community. That's been said numerous times tonight, and the demographics back it up. We need to do everything we can to make sure that we have the resources that we need to provide the services that our residents want and need as they get older and age in place. We're not a

minimalist community. We have five libraries. We have remarkable parks and open spaces. We have the Junior Museum and Zoo. Cubberley, which is home to artists and nonprofits, and itself needs renovation. That's a different topic for a different night. This is a prime example of the need for investment in a resource that thousands of people have benefited from over the past 40, 38, 39 years, and clearly thousands more will benefit from moving forward. You guys know much better than I do that the space doesn't fit our community, and it doesn't fit our needs. I've heard and it's been said that a budget and how we spend our resources is a reflection of our values. I think it must be clear that we say tonight unequivocally that we value our senior population, we value our not-quitesenior population that will be seniors throughout the life of this asset of Avenidas and the fantastic improvements that you guys are planning. I support it unequivocally. We used different funding mechanisms in the past for the Palo Alto History Museum. I see no reason why we wouldn't do the same here. No offense to that project, but this project is better and more deserving and will impact more residents on a daily basis. I'm glad it's come Thank you all for showing up. before us toniaht. I look forward to supporting it, and I hope it's a unanimous approval. Thanks.

Mayor Holman: Council Member Scharff.

Council Member Scharff: I also enthusiastically support this proposal for a lot of the reasons Council Member Berman said. Investing in our infrastructure like this is one of the best things we can do in our community. We spend so much money on other things. Here's a tangible response that you all say that will benefit so many members of our community. If we don't invest, things like Avenidas actually fade away. You starting seeing people dropping away and not joining. People may say you only have so many members, etc. If you do this, you'll see so many more members. I actually am reminded a little bit of the JCC. When it was up where Terman was, they had so many members. Now with this new facility, look how many members and how successful and what they add to the community. I don't think there's a better use of funds we could do than support this. I think I want to address two other points. First is I want to address the City Manager's comment that we're over-collecting and under-billing. I strongly agree with that, but I think it's a huge mistake to think that we actually have Since 2013 in which we did the Infrastructure Plan, additional money. construction costs have gone up over 30 percent. We actually probably have a 30-percent shortfall, because we didn't build in a contingency when we did the Infrastructure Plan. When we go to build that Public Safety Building, I think you're going to be shocked at how much it actually costs. I don't perceive that we have all this money to do that. Now, the other thing I want to say is on the issue of TDRs. As a Council, I believe we fully supported

using it for the History Museum. Mayor Holman, I apologize if I put words in your mouth. I remember we had many discussions prior to other people getting on the Council about TDRs. You made an impassioned plea about how important it is to rehabilitate our historic buildings. In fact, one of the concerns with getting rid of the parking exemptions, which frankly I pushed strongly when it came to the TDRs, was that we needed to strike that right balance. If we got rid of TDRs completely, then we would not see the historic rehabilitation in our community that we all want to see. By getting rid of the parking component of that, we mitigated most of the issues, I believe, with TDRs which is the impact in terms of the parking. Unless we got rid of TDRs, as a Council policy decision, I would strongly support the use of sale of TDRs for this, because otherwise we're going to take \$3 million out of our infrastructure budget or some other need that we have in the City. I would strongly support the Staff recommendation as is.

Mayor Holman: You're exactly right, Council Member Scharff. Council Member Wolbach.

Council Member Wolbach: Avenidas is a really great return on investment and has been for a long time. What we get out of Avenidas, I think, is a lot more than what we put into it. I don't think we should lose sight of that. Because of the services they provide, the fact that it is a City-owned building, the fact that's is a historic building, a beautiful building that has served its purpose well, but does need, I will absolutely be supporting this once Council Member Kniss makes her motion.

Thank you, Council Members. I'm very supportive of Mayor Holman: Council Member Scharff was correct about the supporting Avenidas. comments about TDRs. It really isn't zoning for sale. It is an exchange for a public benefit, whether it's seismic or historic rehabilitation that we are trading density. They do have to be parked again due to Council action earlier this year. I will ask Council Member Kniss, though, when you're making your motion to consider that the motion be more directed more specifically to what Avenidas is actually asking for, which is funding for the seismic and historic rehabilitation of the existing building. Member Scharff had indicated too, supported funding in part by sale of Those would be my only comments. seismic and historic TDRs. conversation with Ms. Hendrickson and Amy previously, I know that the construction project for those two activities exceed \$5 million at any rate. The other thing of this which is a legality which is that the sale of TDRs, the funding I should say from TDRs have to be expended for the exact purpose that they are sold. In other words, let's just say a seismic TDR raises \$1 million, it has to be expended on the seismic rehabilitation of the building.

We can provide that clarity in the motion, that would all be helpful and keep us all clean. Council Member Kniss, you were wanting to make the motion.

Council Member Kniss: Before I do, taking advantage of that three minutes, I want to just say two or three things, then I'll make the motion. There was some questions out there as to had we ever had lunch there. I've had lunch there a number of times. I actually brought City Manager Keene with me, and we brought our own salt shaker because that's essential when you eat at the senior center. The second is how many of you here have been to the Rose Kleiner Center? You would agree that is a spectacular center. sorry that we don't have a Rose Kleiner family to contribute here. They have not stepped forward. I know that Lisa certainly would have pursued that, because she would do that kind of thing. Next, as far as how people get there, I know any number of drivers, usually retired, who are willing to pick people up and take them. I don't know how many are in that program, Lisa, but I know there are lots because I know several of them. gentleman who spoke about the second half of your life, was that you? Whomever it was, the second half of life was very persuasive. I'll talk in a minute in the motion about supporting the Palo Alto Child Care, because that is a major investment for us, and they raise very little money. People seem to raise a lot more money when they're seniors than when they're kids. Lastly, before I start this, I just want to say Lisa Henderson has done a I know you would absolutely all agree with that. devoted her time to raising not only the visibility and the stature of the senior center, but certainly raising the money that will go into this. Having said that, let me try a motion. There may be some tweaks that you all make into this which I would be glad to listen to. I'm going to start out this way and keep this somewhat neutral. This pretty much looks at the Staff recommendation. I'm not going to send it to you in print right now. I'm going to read it out loud. This is the Staff recommendation. The Staff recommends the Council contribute financial support of \$5 million from revenue sources—in this case, slightly different from what it says—to be determined by Staff toward the 18 million Avenidas capital campaign to make necessary—this is what the Mayor is looking for—seismic and other improvements to the existing building, which I would remind you is our building. The actual funding will occur over the next two years, which is the next two fiscal years.

Council Member DuBois: I second that.

Council Member Kniss: I wasn't quite done, but thank you.

Council Member DuBois: I'm sorry.

Council Member Kniss: The Avenidas plan as envisioned—this should be in the motion—will require subsequent environmental review—that's to Herb's point—and approval of a final project design by City Boards, Commissions and by the Council.

Council Member DuBois: (inaudible).

MOTION: Council Member Kniss moved, seconded by Council Member DuBois to contribute financial support of \$5 million dollars from revenue sources to be determined by Staff towards the \$18 million Avenidas Capital Campaign to make necessary seismic and other improvements to the existing building, the actual funding will occur in the next two Fiscal Years; the Avenidas plan will require subsequent environmental review and Approval of Final Project Design by City Boards, Commissions and Council.

Council Member Kniss: That's the end. I still have a second. If I can just dive into it from there and speak to it, let me try that. If somebody has tweaks, I'm glad to hear those. I'm not going to address the TDRs right now; I'm going to see where those fit in. I would say we have a precedent for using the TDRs, and it's pretty clear. Two or three things that have not been mentioned tonight that I think are important. The Senior Center and PACCC which is the child care center are the only nonprofits that we have identified in our community as special. We have lots of nonprofits. We go through a process every year of giving support to those nonprofits. I think in the last two years we have separated out these two as giving unique services to our community. As I said, it's PACCC and it's Avenidas. Quite different from the other nonprofits in the City, not that the other nonprofits don't have equal importance. We've talked a lot about the amount of money raised by Avenidas. Believe me, every year they work hard to raise the amount of money that they bring in to supplement their budget. This is a group that works hard to maintain itself, and that group has asked us as a City Council for support. I don't think, if we had this back in our lap, I'm not sure as a City that we could support it in the way that the current organization supports it. Aside from the fact that it's an old and beautiful building, I really do love the building because it has been part of the City for 90 years and on top of that it also is not only historical but designed by a famous architect. Let me bring up another slightly touchier topic, because this was in the press this morning. How is this different from the Maybell project, because it was mentioned many times we could get into this same issue again. Let me tell you how I think it varies. First of all, we're not talking about any zoning exceptions. We're not talking about any variances. This is not a dreaded PC; it has nothing to do with PCs whatsoever. We are dealing with land, and we're dealing with a building that belongs to the City. At this point they are simply one of our favored nonprofits by our City

Council vote and, therefore, I think fall into a very different category. As I said, this is certainly not a new development even though there may be some expansion. We haven't talked about that in the motion. We did say, and I know that Council Member Filseth said, well, maybe they're one and the same. I don't see a refurbishment as one and the same. We are discussing a seismic upgrade and an elevator that needs to be handicapaccommodating, and that doesn't exist right now. As I said, I'm not going to put TDRs into this. I think it's one of the things we should consider. I do think that we have a strong precedent for having used TDRs for just the purpose that we're talking about tonight. This is a seismic upgrade. I think at the end I am confident that we are going to support this. At the end of this we'll be very proud of a not totally new, but very refurbished and beautifully done building. Don't forget; it's important to remember this has a long way to go. Lisa Henderson mentioned that earlier tonight. This has to go through many of the other usual aspect of development that have to happen. It'll go through the Boards, the Commissions and come back to us as a Council. Thank you.

Mayor Holman: Council Member DuBois, speak to your second?

Council Member DuBois: Yeah. Actually I'm glad you mentioned Palo Alto Child Care. They are also in a deteriorating building, so we may be hearing from them. I'm happy to support this. I think what we're doing is expressing support by the City to help Avenidas bring in donors in their capital campaign. I don't think we should go beyond that tonight. They need to add an ADA elevator, renovate the building. I think it gives us time to have a TDR debate at another time. This Council has not had that debate. I think the history building was the end of last year, before several of us were here. I am concerned about selling TDRs that may never get used, but I don't think we need to really discuss that tonight. I'm happy to support Avenidas and support this motion.

Mayor Holman: Council Member Scharff.

Council Member Scharff: Thank you. I appreciate the motion; however, I think Staff has asked for our guidance as to how they fund this. I think we should discuss the TDR issue, and we should fund it with TDRs, and we should fix the motion to make it clear that the TDRs go towards necessary seismic improvements. Actually I'd defer to the Mayor on that as the best language on that when we get to it. I do think Staff has asked for this. I think we should go ahead and fund it. I don't think we should necessarily have to have them come back to us and have a big debate, and then maybe not have a way to fund this. I think that that's what we should do. I am going to ask, first of all, for a friendly amendment. Council Member Kniss

moved, seconded by Council Member, to contribute support of \$5 million from revenue sources which shall consist of the sale of Transfer of Development Rights similar to the transaction for the Palo Alto History Museum and Community Center Impact Fee funds as opposed to "determined by Staff." That would go there. Towards the 18 million Avenidas capital campaign to make necessary seismic and other improvements to the existing building, etc., etc., for two fiscal years. I actually think I want a period after "years," and I want to have another sentence that says—I actually defer to the Mayor on this—"the sale of the TDRs shall fund seismic improvements and" what did you say? Do you think that's necessary to put in there?

Mayor Holman: It's by ordinance that both ...

Council Member Scharff: We don't need to put in it if it's by ordinance.

Mayor Holman: We don't need to, because by ordinance both the seismic and rehabilitation TDRs have to be used for those purposes.

Council Member Scharff: That's what I thought, but I just wanted to make sure. I would just leave it there. Moved, seconded by Council Member, to which shall consist of Transfer, yeah, similar to the Palo Alto History Museum. It's basically the language under the funding options and considerations there.

Mayor Holman: Council Member Kniss, will you accept the amendment?

Council Member Kniss: No, I'm probably going to surprise the Council Member. I'm not going to, because I think that we're going to get into a discussion about density. When we sell TDRs, we are selling density. It's probably a good opportunity tonight to see where we are on Transferable Development Rights.

Mayor Holman: I will second it.

AMENDMENT: Council Member Scharff moved, seconded by Mayor Holman to replace in the Motion, "to be determined by Staff" with "which shall consist of Transferable Development Rights (TDRs) and Community Center Impact Fee Funds."

Mayor Holman: Do you need to speak further to the amendment, Council Member Scharff?

Council Member Scharff: I do. I think I would hope that Council Member Kniss would reconsider this. I think that we really need to fund this, and we

need to move forward with it, and we need to give Staff clear direction. I think what we've done is said it's to be determined by Staff. We could then put Staff in the unenviable position of deciding if they're going to sell the TDRs or if they're going to come back to Council. We do have a policy right now where we do sell TDRs. We sat down, and we made clear that we were going to fully park TDRs. I think that if we don't put this in the motion, we will be undercutting doing this for Avenidas and getting it done. I think that this whole thing could fall apart later on as we go through this process, as it gets mixed up in other things. Whereas, I think if we say how we're going to fund it, we get it done, we give them the money, and we pass it tonight, they then know they have their money and they can then move forward. I think we would be completely undercutting the whole intent of your motion if we do that. I'm very afraid of as we go through this process that if we don't make this clear that's what we're going to do, that there won't be an easy funding mechanism for this. Therefore, I would ask and hope that you would reconsider on that, and that we'd move forward and get this done and these people could go home tonight knowing they had a funding source and knowing where they are as opposed to being in this limbo land of having a long and torturous process of how we fund this.

Council Member Kniss: Let me respond, because I'm not going to be convinced.

Mayor Holman: I want to speak to my second, if I could please.

Council Member Kniss: Sorry. I had forgotten you hadn't.

Mayor Holman: I fully agree, and now I think City Clerk has got the language correct. One thing, and it's just a nit, I don't think we need the language "similar to the Palo Alto History Museum." I don't think that adds anything. The TDR (inaudible) is a TDR. David, would you take out "similar to the Palo Alto History Museum"? I'll be brief here. I think it clarifies to a great extent what actually Avenidas has been asking for. It confirms that what the City is funding is the rehab and seismic retrofit of the existing building and doesn't get it murked up with the rest of the project. I think this provides great clarity. I'll have one more amendment when we go forward, but first we focus on this one. Council Member Kniss, did you want to—actually Council Member Berman had his light on.

Council Member Berman: I just want to say I'm in full support of the amendment to the motion. I think Council Member Scharff and Mayor Holman said it more eloquently than I will. I think it's important for us to provide the community with certainty. I think it's important for us to provide us and Staff with certainty as to where these resources are going to

come from. As Council Member Scharff mentioned earlier, we aren't flush with cash. We have enormous infrastructure needs. I'm proud of where we've gotten so far, but there's still a lot more that we need to do. The rehabilitation of historic buildings is the purpose of TDRs. I think we did a great job in approving them by mandating that they be parked earlier. This is Exhibit A as to why you would use them and the type of project you would use them on. We have a precedent of using them in our community and just did it last year. I think this is a perfectly reasonable instance to do it again. I think we should wrap this up tonight; let everybody go and move on with their plans as opposed to continuing to have it be in limbo.

Mayor Holman: Council Member Filseth, you had your light on next.

Council Member Filseth: Probably not a huge surprise I'm not going to support the amendment. The thing about TDRs is—you can see it from the discussion here—\$5 million is a lot of money. If we did TDRs, we'd only have to pay 2 because we look at TDRs as free money. They're not free. The cost of TDRs are the cost of density, as Council Member Kniss pointed out. The fact that those costs are not transparent are actually part of the seductiveness. They are going to be paid by residents well into the future, and the costs are going to come in the future, not today. I think that's exactly the reason we shouldn't be using them. I think if this project is worth \$5 million, then I think we should spend \$5 million on it. If it's not worth \$5 million, then we shouldn't sort of try to do a dodge with TDRs. I'm not going to support the amendment. I hope the amendment fails, because without the TDR provision, I would support the main motion. If the TDR provision goes into it, I'm going to have difficulty supporting the main motion too.

Mayor Holman: Vice Mayor Schmid.

Vice Mayor Schmid: I'm voting against the amendment. I think the goal tonight is to have a unanimous Council supporting Avenidas. That's where we should be tonight. What the amendment does at 11:00 at night, it said let's have tens of thousands of new square footage beyond current zoning in the Downtown. That doesn't have anything to do with what we're talking about tonight. I think to have Staff come back and say here's some options, maybe that's the best option we have. To utilize TDRs is not the right thing to be doing.

Mayor Holman: I think maybe a clarification is warranted there. City Manager, do you want to make it?

Mr. Keene: I did want to clear up the fact that the amount of square footage that the TDRs would yield would be 8,700 square feet first of all.

Mayor Holman: Council Member Kniss. Council Member DuBois. You guys sit in your regular seats next time.

Council Member DuBois: I don't know how you got Kniss out of this seat though. I mean, I asked the specific questions and the City Manager said we have time to determine funding. We're talking about Fiscal Year '17 and '18. He said that pretty clearly. He didn't suggest it was going to fall apart or going to be in limbo land. I think that's a little bit just raising fear. My concern is more about the Downtown Cap's going to come back to us. If you look at existing development plus all the TDRs that have been sold, I think we're either at or over the cap. We should have a discussion about whether we want to keep selling those in good faith or not. We're right in the middle of our Comp Plan Update; that discussion is happening in parallel. I think we'll have clarity on these policies before we get to these fiscal years. I'm not sure why we're forcing the decision. The door will stay open, as Council Member Schmid suggested. We just don't need to decide tonight. I kind of find myself in the same place. I would not support the amendment. If the amendment was in the main motion, I would have a very difficult decision. I'm happy to support the main motion the way it is.

Mayor Holman: City Manager.

Mr. Keene: No, I just understand. I think that there are multiple public goods that the Council is having to balance. It's not like I don't think that there is anything that you're dealing with that at one point in time policywise, whether it was the Downtown Development Cap or trying to incentivize investment for other public goods that otherwise might not take place, seismic or historic preservation. I worked in communities where there was strict rent control that was so strict about the intentions that it created incredible disinvestment and maintenance of buildings over the years to the point that they were almost blighted, and that sort of led to ultimately having to look at sort of rent control reform. I think that it's not guite accurate to think that TDRs are just some bad thing. They were designed to do some good things, particularly since the impact of parking has been resolved both with prior actions of the Council and the fact that anybody who would buy these is going to have to park this project. Just to put in perspective 8,700 square feet, I know if you're thinking how many of those are, but we're pretty darn limited now in the TDRs that are taking place. One floor on this building is 6,500 square feet. You just need to kind of keep it in perspective about how much space that's adding with a tradeoff of the other issues you have to deal with as a Council which does this rehabilitate an asset and building the City has and/or-by the way, I did want to apologize. I didn't want to leave the Council thinking we were flush with money, because you are going to have difficulties. The Public Safety

Building is going to cost more. We've got costs on the Bike Pedestrian Bridge. We've got a whole bunch of other issues. This is just—I think the Council should be trying to look at this as holistically as possible and see how many good things you can accomplish with this and knowing that there may be some disagreement, but overall it's a good thing.

Mayor Holman: One last just really quick comment about this amendment. The question was asked earlier about if we fund this at \$5 million, what are we not going to be doing. If we don't use the TDRs, how much more are we not going to be doing? That's another way of looking at this. TDRs are really the only incentive that we have in this town to support historic preservation and seismic retrofit of existing buildings. It is the only incentive, and it is something that developers pay for. The City does not pay for. They are currently required to be parked, and they are limited. With that, Council Member Wolbach.

Council Member Wolbach: I fully appreciate the desire for a conversation about TDRs and the concerns about them, but we don't have a moratorium on the use of TDRs. We haven't made a policy decision to not use TDRs anymore. We have done that with some other things that are also controversial. We have made it a priority to—when we were talking about the amount of office development in Downtown, Cal. Ave., and El Camino, when we were talking about Planned Communities. If we had a discussion, if it was a priority to eliminate TDRs as an option, I would have hoped that would have come up earlier in discussion. If it comes up for a future discussion, I would embrace that conversation. I think that it is a policy on the books. It requires that wherever it's used, that facility be fully parked. That's obviously one of the biggest impacts of additional density. I will be supporting the amendment.

Mayor Holman: The amendment before the Council is the original motion which, to pick it up, is to contribute financial support of \$5 million which shall consist of Transfer of Development Rights or TDRs and Community Center Impact Fee funds.

Council Member Kniss: Mayor Holman, I think my light's not showing up again.

Mayor Holman: There it is. Council Member Kniss.

Council Member Kniss: I'm again not going to support the amendment. I'm sorry to disappoint my colleagues. I think we are talking density. Former Council Member Mayor Klein is here. I remember he gave an impassioned speech in December, saying when we voted for the TDRs we voted for

density. I feel very comfortable that we will find a way to fund this \$5 million without question.

Mayor Holman: With that, we vote on the board on the amendment. That amendment fails on a 4-4 vote with Council Members Berman, Scharff, Holman and Wolbach voting yes.

AMENDMENT FAILED: 4-4 DuBois, Filseth, Kniss, Schmid no, Burt absent

Mayor Holman: We return to the main Motion. I'd like to offer an amendment to the main Motion which is on the third line, "towards the \$18 million Avenidas." I would like to delete, with Council Member Kniss' hopefully agreement, "sources to be determined by Staff." I would like to delete "towards the \$8 million Avenidas capital campaign." That again kind of confuses what we're focused on. We're focused on the rehab and seismic retrofit of the main building. That's actually what Avenidas is focused on. It doesn't get as murky into the other arena.

Council Member Kniss: No, I understand. It murks it up a bit to do that. I think that that will clarify it.

Mr. Keene: I think we would support that as far as clarification. Looking at the City Attorney.

Mayor Holman: Excellent. Council Member DuBois, as seconder ...

Council Member Kniss: You can incorporate that into the motion.

Mayor Holman: Council Member DuBois, as seconder?

Council Member DuBois: Yeah, I would accept that.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to remove from the Motion, "towards the \$18 million Avenidas Capital Campaign."

Mayor Holman: I think the rest of it is fine. Any other comments, amendments? Seeing no lights, it looks like we are ready to vote on the motion. The motion is to contribute financial support of \$5 million from revenue sources as to be determined or to be determined by Staff towards

Council Member Kniss: We need to take a few words out.

Mayor Holman: Here we go, David. (crosstalk) seismic. Molly, there you go.

Council Member Kniss: It's really toward making the necessary seismic and other improvements.

Mayor Holman: There we go. To contribute financial support of \$5 million from revenues to be determined—lose the "as"—to be determined by Staff to make necessary seismic and other improvements to the existing building. The actual funding will occur in the next two fiscal years. The Avenidas plan will require subsequent environmental review and final project design by City Boards, Commissions and Council. In the Staff motion, it says "pending," not "will require" but "pending final environmental review." Council Member Kniss, did you want ...

Council Member Kniss: Yes, that should be included. Yes, thank you.

Mayor Holman: Instead of "will require," it says "pending," should say "pending environmental review and approval of final project design by City Boards, Commissions and Council." Are you okay with that ...

Council Member Kniss: Is that okay with you, Tom?

Mayor Holman: ... Council Member DuBois?

Mr. Keene: Madam Mayor?

Mayor Holman: Yes, sir.

Mr. Keene: May I suggest a slight change? I would love to keep it the way it is right now, but I think we ought to substitute the word "to be determined by Staff" to "to be identified by Staff." I don't think the Council is ...

Council Member Kniss: That's fine.

Mayor Holman: I appreciate the difference.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion, "determined" with "identified."

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion, "will require subsequent" with "pending."

Council Member Kniss: Anyone else need to wordsmith?

Mayor Holman: Council Member Berman, do you really have something? No.

Mayor Holman: it looks as though we are ready to vote on the board then. That passes unanimously. It's not all that often we get a standing ovation, so thank you all very much. Thank you for your efforts on this project. If we could ask you, though, to take any conversations out into the lobby so we can try to conclude the rest of our meeting, that would be much appreciated.

MOTION AS AMENDED PASSED: 8-0 Burt absent

22. Recommendation to Direct Staff to Develop and Plan for Election to Authorize Continuation of Storm Drain Fees to Fund Capital Improvements and Operations After Current Fees Sunset in 2017, Including Appointment of a Citizen Advisory Committee and a Potential 2016 Property Owner All-Mail Election.

Mayor Holman: Staff, we are ready for Item Number 22. Recommendation to direct Staff to develop and plan for election to authorize continuation of storm drain fees to fund capital improvements and operations after current fees sunset in 2017 including appointment of a citizen advisory committee and the potential 2016 property owner all-mail election. Again, if I might ...

Brad Eggleston. Public Works Assistant Director: Good evening, Mayor Holman and City Council.

Mayor Holman: Again, if I might ask members of the public if they would take their conversations to the lobby, it would be really helpful and much appreciated. Thank you.

Mr. Eggleston: Good evening, Mayor Holman and Council Members. I'm Brad Eggleston, Assistant Director of Public Works. With me here this evening for his second brief presentation he'll be doing momentarily is Joe Teresi, the Senior Engineer for our storm drain engineering group. Before we get underway, I also wanted to recognize that in the chambers this evening, we have three of our five members of the current Storm Drain Oversight Committee to support us here. They are Chair Hal Mickelson, Vice Chair Stepheny McGraw and Nancy Clark. We thank them for attending the meeting this evening.

Joe Teresi, Public Works Senior Engineer: Good evening, members of the Council. I'll try to run through this quickly as I can. As far as background on the topic. The Storm Drain Enterprise Fund was created by Council back in 1990 to fund the storm drain program. It's funded through monthly utility fees that are collected from residents and businesses on their monthly City utility bills. The monthly fee is based on a land parcel's relative use of the municipal storm drain system as measured by imperviousness or hardscape

on that particular parcel. The funds are used to pay for storm drain Capital Improvement Program and maintenance and water quality protection programs. California courts have determined that this fee is subject to the requirement of California Proposition 218. Proposition 218 was a constitutional amendment passed by voters of California in November of 1996. It stipulates that property-related fees, except for fees to fund sewer, water and refuse collection services, could not be imposed or increased without the approval of either a majority of property owners subject to the fee or two-thirds of voters in a general election. As far as the current Enterprise Fund, it is now based on a rate structure that was approved by a majority of property owners back in 2005 via a mail ballot measure. It was used to fund the seven high priority capital improvement projects and enhance maintenance and storm water quality protection programs. Back in 2005, it was set at \$10 per month for a typical residential single-family home with the option for voter-approved annual inflationary increases. Increases have in fact been approved by Council each year, so the rate for fiscal 2016 is now \$12.63 per month for a single-family homeowner. The budgets of the Enterprise Fund and the expenditures are reviewed each year by the Council-appointed Storm Drain Oversight Committee. importance is the fact that that current rate structure sunsets per the ballot measure in June of 2017. Unless those enhanced rates are approved by property owners, the storm drain fee will revert back to its pre-2005 rate which is \$4.25 per month, which will not support the current operational costs for the storm drain system maintenance and State-mandated storm water quality protection. It won't provide enough funds for the new requirements that we're expecting to be imposed in the next version of the storm water discharge permit which will be adopted by the Water Board later this year. It will not provide for a Capital Improvement Program. Staff is recommending that we develop and implement a new ballot measure to be a follow-up measure to the 2005 measure, asking that the Council ask the City Manager to convene a blue ribbon committee to assist Staff with the development of a spending plan, both capital projects and operational programs, and that we be directed to work towards a ballot-by-mail election in accordance with Prop 218 that would be able to be approved by a simple majority of responding property owners in a mail-ballot process. In terms of the blue ribbon committee, the Staff recommends that we follow patterns similar to that which was used in 2005 and find a group with a variety of backgrounds, areas of expertise and perspectives, and we would look to work with this group for approximately five months in order to assist Staff with formulation of a community-based recommendation which would come back to Council on the scope, size and timing of the funding proposal. The recommendations are in the Staff Report. They are again to direct Staff to work towards a fall 2016 property owner vote-by-mail election, and to appoint a blue ribbon committee to assist with the development of that

program. Here's a potential schedule that could be used to move towards that end. We would start working with the blue ribbon committee as soon as we get authorization, and we'd work towards a mail-by-ballot measure sometime in the fall of 2016. On this schedule, it lists November 3rd as when ballots would be due back. When we met with the Finance Committee, they expressed some concern about that. This date is certainly subject to They were concerned about the proximity of this date with the general election that will occur in the same timeframe. In addition to that point, when we met with the Finance Committee who actually did not make a formal recommendation to Council but voted to bring this topic forward to the full Council for discussion, they also thought it was important that the Council discuss the relative pros and cons of appointing this blue ribbon committee either by the Council or the City Manager. It's up for discussion. They wanted a discussion of the criteria for selection of the committee members and were interested in achieving diversity in interests, talents and geographical locations of those members. They also wanted the opportunity to review the Master Plan which identifies our future capital needs and to discuss criteria for project selection and inclusion in the ballot measure. With that, I'll turn it to the Council for discussion and guestions.

Vice Mayor Schmid: Thank you. We have a card from the Chair of the Storm Drain Committee, Hal Mickelson. Thank you for waiting through the evening.

Mayor and Council Members, I am Hal Hal Mickelson: My pleasure. Mickelson, a member of the Storm Drain Oversight Committee. resident of the Green Meadow neighborhood, and I'm speaking as an individual property owner and resident. Infrastructure is not pizzazzy. You're not likely to get a room full of people waving attractively made signs saying we demand more support for the storm drain infrastructure needs of our City. You'll get a full Council chamber if we have a disaster. You've been hearing tonight about how hard the City Staff works to foreclose the possibility of such a disaster. In order to make sure that the storm drain system continues to meet the City needs, we have to be able to keep on spending at the level of the \$12.63 assessment that is going to sunset in 2017 unless this Council chooses to do something about it. This City needs to think and act to maintain and enhance appropriate funding for reliable storm drain systems. The projects that have been implemented since the 2005 decision, I think, are familiar to this Council. You've seen detail on all of them. As a member of the Storm Drain Oversight Committee, I've had the pleasure of seeing Staff go through these line-by-line and describe what we've been able to accomplish for the City. The projects made possible by the 2005 decision and the present level of funding have been thoughtfully designed and have been effective for the City. I would urge this Council

respectfully to consider the Staff recommendations that call for the Staff to develop a list of storm drain and operational programs and capital improvement projects for 2017 and beyond. I think this can effectively be done with the involvement of the citizens advisory committee. That work should lead to a mail-in election in the fall of 2016 to extend needed support for the Storm Drain Enterprise Fund. I respectfully urge you to consider and support the Staff Report on that basis. Thank you.

Vice Mayor Schmid: Thank you very much, and thank you for your work over the years in assuring the quality of the work. That brings us back to Council.

Mayor Holman: Council Member Wolbach.

Council Member Wolbach: Are we on questions, comments, motions? Where are we at right now?

Mayor Holman: Questions, comments, motions.

Council Member Wolbach: A quick question first. Item 2 on the Staff recommendation asking for guidance. How much guidance do you need from us?

Mr. Eggleston: I think we're referring more to the feedback from the Finance Committee that it was a potential item to discuss whether the committee should be appointed by the City Manager or by the Council. By guidance, we're referring to that decision.

Council Member Wolbach: In that case, I'm happy to make a motion unless people object. All right? I'll go ahead with my motion. I move the Staff recommendation with the citizens advisory committee to be appointed by the City Manager.

Council Member Kniss: Second.

Mayor Holman: Motion by Council Member Wolbach. Second by, I think it was Council Member Scharff, was in there first I think.

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

A. Direct Staff to work towards a Fall 2016 property owner vote-by-mail election to authorize imposition of property-related fees to fund the Storm Drainage Enterprise Fund beyond the funding term of the previous storm drain measure, which property owners approved in 2005 and which sunsets in June 2017; and

B. Direct the City Manager to appoint a Citizen Advisory Committee to assist Staff with the development of the 2016 funding measure, including a list of operational programs and capital improvement projects to be funded by the fees.

Mayor Holman: Council Member Wolbach, do you care to speak to your motion?

Council Member Wolbach: I think that Staff has spoken eloquently.

Mayor Holman: Council Member Scharff.

Council Member Scharff: In the interest of brevity, I'll just say I think Staff did a good job on this. We heard this at Finance. It's obviously something we should do. I'm glad we're moving forward on it.

Mayor Holman: Council Member DuBois.

Council Member DuBois: I really had one question. As I read the report, it wasn't clear. Would the level of the tax be determined by the blue ribbon committee or is the assumption that it's just going to carry forward?

Mr. Eggleston: We purposely left that kind of open, because we thought it would be something the blue ribbon committee would make the recommendation to Council on. It could be they could recommend a lower fee than what we currently have, a higher one, continuation of the same level.

Council Member DuBois: That's good to hear. I think it'd be pretty encouraging if it came back and it was slightly lower. I think the public sees too many taxes that expire and then renew at the same amount. I just thing that creates a cynicism about the system. If the blue ribbon committee were to look at the projects, figure out what we need and figure out what the right tax rate is, that's the best approach.

Mayor Holman: Vice Mayor Schmid.

Vice Mayor Schmid: In the Staff Report, there was a mention of a Storm Drain Master Plan. The Master Plan wasn't given either to the Finance Committee or the Council. Is this the basis of the work of the Storm Drain Committee?

Mr. Teresi: It is. If I recall, at your request, I know you wanted to see it. We actually put a link in it. It's online; it's on page 7 of the Staff Report. There's a hyperlink. I have a copy of it here.

Vice Mayor Schmid: I just want to know is (crosstalk).

Mr. Teresi: It's that big, so I didn't want to necessarily make a copy for everyone. We certainly made it accessible to Council Members.

Vice Mayor Schmid: It is the background material that they will use? There's no other report?

Mr. Eggleston: It is the background material that would speak to their future recommendations about prioritizing CIP projects, which is only one aspect of the programs that are funded, but a significant one.

Vice Mayor Schmid: What other programs are there, other than the capital expenditures?

Mr. Teresi: The fund is an all encompassing fund. In addition to the Capital Improvement Program, it needs to pay for ongoing maintenance of the system. Then we have storm water quality protection mandates that come down from the State Water Board that we have to fund as well. In addition to the projects, we have some programmatic activities that we have to fund out of the same fund.

Vice Mayor Schmid: Good. I'm delighted to look through it today. I guess the feedback you want is really political feedback of who would be on the committee. The motion is that it would be a City Manager-appointed committee. There's a list on packet page 390 of the variety of things that could be used in selecting the committee. I guess I would urge two things. The committee should represent property owners who are paying the tax which are geographically balanced. Two, maybe those who are most at risk are those in the flood protection insurance program and pay substantial amounts each year as identified at-risk homeowners. It seems to me those ought to be the key criteria. There should be a balance, geographical balance of those two elements in the committee.

Mayor Holman: It looks as though we had just the one member of the public who wished to speak. It looks like we have a motion by Council Member Wolbach, second by Council Member Scharff, to direct Staff to work towards a fall 2016 property owner vote-by-mail election; to authorize imposition of property-related fees to fund the Storm Drain Enterprise—yes, I'm sorry.

Mr. Eggleston: I'm sorry for interrupting. I wanted to respond to one thing that Vice Mayor Schmid said about the criteria for the members of the committee. Just make it clear that the purpose of these projects is not to take people out of the flood zone who might be paying flood insurance. This

is more focused on addressing the ability of the storm drain system to drain away rainwater that falls on the streets and properties. It wouldn't be doing flood protection projects that would remove anyone from a flood zone.

Mayor Holman: Seeing no further comments then, now we'll return to the motion by Council Member Wolbach and second by Council Member Scharff. Direct Staff to work towards a fall 2016 property owner vote-by-mail election to authorize imposition of property-related fees to fund the Storm Drainage Enterprise Fund beyond the funding term of the previous storm drain measure which property owners approved in 2005, and which sunsets in June 2017 and, B, direct the City Manager to appoint a citizens advisory committee to assist Staff with development of the 2016 funding measure including a list of operational programs and capital improvement projects to be funded by the fees. Vote on the board please. That passes unanimously on an 8-0 vote with Council Member Burt absent. Thank you, colleagues.

MOTION PASSED: 8-0 Burt absent

24. Colleagues Memo Regarding Studying Policy to Increase Accessory Dwelling Units (ADU's).

Mayor Holman: With that then, we move to Item Number 24 which was moved ahead of Item 23. Does Staff have any comments? If Staff has no comments, then which one of the ...

James Keene, City Manager: We move approval. I'm just kidding.

Mayor Holman: Which one of the signers cares to kick this off?

Male: Council Member Wolbach should (inaudible).

Mayor Holman: Council Member Wolbach, would you care to make the presentation then?

Council Member Wolbach: Sure. I'm happy to hear from members of the public first if Council Members are ...

Mayor Holman: No, this would be sort of like having the Staff presentation first, so it's appropriate for you to kick this off.

Council Member Scharff: Are you going to come back to him for the motion? That's what we typically do.

Mayor Holman: We'll come back, yes, because we do have a member of the public who wants to speak to this. Council Member Wolbach should be allowed to kick it off.

Council Member Wolbach: I'd actually hit my light to make a motion. I'm happy to give a guick summary. As we mentioned in the Colleagues Memo first actually let me say thank you to Council Member Scharff and also Vice Mayor Schmid for joining me in this Colleagues Memo. As we mentioned in the Colleagues Memo, our prior Housing Element from Comprehensive Plan calls for a study of updates and changes to our regulations regarding accessory dwelling units. The only part of our new Comprehensive Plan that we've actually finished, our updated Housing Element again calls for looking at this, particularly including looking for ways for below market rate housing to be included with ADUs. That might be a tall order; it might be difficult to do. There are a lot of questions around this. There are a lot of details. There's a lot of nuance, a lot of devils in the details. I look forward to the Staff, PTC and Council and the community engaging in that. I'm sure a very lively discussion. We definitely think it's time to move that discussion forward. I would implore that we can move forward with this very simple and straightforward recommendation to get the conversation rolling without much further specificity at this point. We will be adding lots more as time goes on.

Mayor Holman: With that then, we have one member of the public who cares to speak to this item. Herb Borock, you'll have three minutes, sir.

Herb Borock: Thank you, Mayor Holman. There have been some comments on Palo Alto Online about this item, expressing some concerns. As Council Member Kniss said, it's quite late to be discussing this. There were people who might be interested in being here, so perhaps there will be an appropriate time for them when it becomes before the Planning and Transportation Commission and the Council again. When someone is suggesting ways to get additional housing and there might be some push back on it for various reasons, I would think it would be appropriate to think of an alternative of getting housing units. It occurred to me that the Stanford Research Park has an entitlement of almost a million square feet more of job-producing development, of which only about 100,000 is entitled from the Mayfield Development Agreement. The City has the possibility of changing zoning. If that large amount of floor area was housing instead of job-producing, I think it would solve a lot of problems and would get a lot more housing than this proposal. Thank you.

Mayor Holman: Thank you. We will return then to Council. I have Council Member Filseth.

Council Member Filseth: I'd actually ...

Mayor Holman: We can leave it to Council Member Wolbach who had mentioned earlier he wants to make a motion, but we still have Council Member questions and comments.

Council Member Filseth: I actually wanted to make a motion.

Mayor Holman: Council Member Wolbach had already requested. You're welcome to make an amendment or substitute motion later. Council Member DuBois, did you have questions or comments?

Council Member DuBois: I was (inaudible) statement when we make the motion.

Mayor Holman: Council Member Scharff, did you have questions or comments?

Council Member Scharff: No (inaudible).

Mayor Holman: Back to you, Council Member Wolbach, to make a motion.

Council Member Wolbach: I'd like to move a referral of this Colleagues Memo to the Planning and Transportation Commission.

MOTION: Council Member Wolbach moved, seconded by Council Member Scharff to refer this matter to the Planning and Transportation Commission.

Mayor Holman: Do you care to speak any further to your motion, Council Member Wolbach?

Council Member Wolbach: Yes. The Council did discuss this about a decade ago. I think that it'll be useful for the PTC to consider the discussions that were had at that time. I haven't included it in the motion, but I would presume that those materials or synopsis of them would be made available to the PTC, so they can consider some of the prior discussion and the controversy around this very complex issue. I do appreciate the comments from the public. Because this evening is only a referral and is a fulfillment of something in the Housing Element that was just passed last year, I hope that we haven't done anything to dissuade public participation. We're just again initiating the conversation that we have already called for. The PTC meetings, I expect there might be more than one about this. The public will certainly be encouraged to participate. Whatever comes out at the PTC would of course come to Council for further discussion. I'd be happy to talk in great depth about why I think this is important beyond what is articulated already in the Colleagues Memo, but in the interest of time, I will leave it at that.

Mayor Holman: Council Member Scharff, speaking to your second.

Council Member Scharff: I support everything Council Member Wolbach said. I'm also thinking that this is complex in ways that PTC may look at it in terms of neighborhood-by-neighborhood. It may be a very different situation to have new ADUs in Downtown North, as it may be in other parts of the City. That's why I think the Planning and Transportation Commission should take this up, and they should look at it broadly. Out of a lot of the things we put in here, which was really important at least to me was facilitate ADU creation while minimizing impacts on community character with sensitivity to neighborhood design standards. There's a whole range of things that the PTC can look at. I didn't want to tie their hands and look at it by saying, "I think you should do this, this and this." I wanted everyone to know—at least my thought was we do this in a way that has minimal to no impacts on the community. Then it's a good thing. Every housing unit we have counts towards our ABAG numbers. I think everyone should keep that in mind. I think that's a really good thing. When I look at what ADUs actually do provide in the community, it often is younger members of the community renting or I've noticed it's single mothers. I've noticed it's teachers; I've noticed it's all sorts of people that want a slightly lower rent or a substantially lower rent or it's, frankly, kids coming home and having a place to stay while they're trying to work here and get their career started and that kind of stuff. It is also elderly parents and other things. I think there's a range of people that this type of housing provides that we don't have another spot for. I'd strongly urge us to move in this direction.

Mayor Holman: Council Member Filseth, would you care to speak now?

Council Member Filseth: Thank you. I'm going to propose an amendment here. I'd like to propose it as friendly; I suspect it will not be. I want to propose that we proceed with the motion as made by Council Member Wolbach with one exception which is rather than send it to PTC, we send it to Policy and Services instead.

Mayor Holman: Can I ask a clarifying question here? It's consistent with, I think, what Council Member Scharff is saying. You could send it to P&S first, but then it would still procedurally have to go to PTC as well.

Molly Stump, City Attorney: Thank you. A zoning measure does need to go through your Planning and Transportation Commission. It could go first to a Council Committee for further refinement and development before it goes to Planning.

Council Member Filseth: I propose that it go to P&S first.

Mayor Holman: Hang on just a second. The amendment is to go with Planning and Transportation Commission prior to going to Policy and Services? Excuse me, prior to going to Planning and Transportation.

Council Member Filseth: Yes.

Mayor Holman: Policy and Services Committee prior to ...

Ms. Stump: Just a brief clarification there.

Mayor Holman: ... Planning and Transportation Commission. I'm sorry?

Ms. Stump: It wouldn't typically be that an item would go from a Council Committee to a Commission. Usually a Council Committee is making a recommendation to the Council.

Mayor Holman: That's very true. That's very true.

Ms. Stump: I can't think of why you wouldn't be able to do that, if you really wanted to. Just wanted to point out that's a little unusual, so it would be that the four Council Members on Policy and Services would refine and then it would go to PTC and then come back to the full Council.

Council Member Filseth: That's it. That's consistent, yeah.

Mayor Holman: That is your intention?

Council Member Filseth: That is my intention.

Mayor Holman: Council Member Wolbach, do you accept the amendment?

Council Member Wolbach: I'm thinking about it. I think that my inclination would be to see it go to Policy and Services first. Sorry, I misspoke. The Planning and Transportation Commission first. I would like to see where they go with this. Even if it's just to provide some brainstorming that we then look at later and say, "Interesting ideas. We don't like any of them." I think this is a valuable role that the Planning and Transportation Commission plays. After it's gone to Planning and Transportation Commission, it'll come to Council. At that point, Council can refer it to Policy and Services. I might even be open to it going to Policy and Services after PTC for refinement, before it comes to the full Council. I'm okay with including Policy and Services somewhere in the process. I think I'm not going to accept this motion as it is, but I'm open to hear more.

Mayor Holman: That means you're not accepting. Council Member Filseth, do you want to offer it as a separate amendment?

Council Member Filseth: I do.

Mayor Holman: Looking for a second.

Council Member DuBois: Second.

Mayor Holman: Council Member DuBois seconds.

AMENDMENT: Council Member Filseth moved, seconded by Council Member DuBois to add to the Motion, "the Policy and Services Committee prior to" after "refer this matter to."

Mayor Holman: Council Member DuBois, do you care to speak to your second?

Council Member DuBois: Yeah.

Council Member Filseth: Do I get to speak to my motion first?

Mayor Holman: I'm sorry. I thought you had. I do apologize. Yes, I thought you had spoken to the amendment. Apologies.

Council Member Filseth: As Council Member Wolbach said, I think this is a very important, very complicated area with a lot of nuance in it. We said we were going to do this, and we should proceed. I think that makes a lot of sense. I am not satisfied with PTC's work on recent land use issues. I do not have confidence that sending this to PTC is going to be productive. I do have confidence in Policy and Services. I think with PTC there are clear alignment issues between the Council and PTC on policy. PTC advocates basically unlimited commercial growth and unlimited housing growth. The endpoint of that is not a reduction in housing costs in Palo Alto. It is to move from an expensive suburban environment to an expensive urban environment. That's not where the majority of voters want to go. I also think we'll get a deeper level of thought and more tied to the community from Policy and Services. I think it's a very complicated problem. I think the community will be better served and, frankly, we'll get more done sooner if it goes to Policy and Services instead.

Mayor Holman: Council Member DuBois, speak to your second.

Council Member DuBois: I generally support the idea of revisiting our Accessory Dwelling Unit Ordinance. However, I do think we need to refine it more before we send it to PTC for a lot of the same reasons Council Member Filseth just stated. We have a PTC that wants to create policy. I think they've been kind of acting at odds with Council. We've directed them to do certain things that they basically have not done, they've said they disagree

with. Just two meetings ago, one of the PTC Commissioners said that we care more about square footage and parking than people's lives. Three other PTC Commissioners agreed with that statement. I take serious issue with it. Another PTC Commissioner just sent in an email tonight that said we haven't talked about housing in a year. We passed a new Housing Element. We've spent a lot of time on Buena Vista. We're spending a lot of time on the Comp Plan, which housing is pretty key. I also take issue with that. I just think we have a problem. Sending this totally open-ended to PTC, I'm afraid it's going to be a huge waste of time, Staff time. It's going to come back to Council or Policy and Services, and we're going to have to make changes. I'd rather see us just refine it. I think we have a good balance on Policy and Services, and then it would go to PTC. I support the amendment.

Mayor Holman: Council Member Berman, to the amendment.

Council Member Berman: I'm surprised that we're—I guess a bit, no I'm surprised that we're taking this opportunity to kind of impugn the motives and the integrity of one of our Commissions that has a bunch of citizens that are volunteering their time on it. I think it's no surprise, given this, that we have so few applications to serve on our Boards and Commissions right now. I wouldn't serve on one of our Boards and Commissions if I thought that my work and my opinion was going to get impugned at a time when I'm not in the audience or don't have an ability to reply. I think one can have reasons to want to send something to Policy and Services Committee. I think if folks have problems with the Planning and Transportation Commission, which clearly folks do, we should have a Study Session with the Planning and Transportation Commission. That is the appropriate time bring up concerns that we have and give people an opportunity to speak back, which I think they deserve considering the amount of time that they volunteer to serve our community. I'm just very surprised by that.

Mayor Holman: Vice Mayor Schmid.

Vice Mayor Schmid: I think I would support the amendment without saying any negative comments about the PTC, who plays a valuable role in the community. I think this issue is a critical one. It came out of the Housing Element. It's already been part of our Comp Plan discussion. The need for some clarification of the issues here is important. I think the Policy and Services Committee would be a good place to start that process.

Mayor Holman: Council Member Wolbach.

Council Member Wolbach: Quick question for Staff and then possibly an amendment to the amendment. Is there any precedent for something going

to PTC and then to Policy and Services and then back to PTC? What does that mean for Staff time?

Ms. Stump: I can't think in the five years that I've been here that something has gone from the PTC to Policy and Services. I think it generally comes to Council. I'm not immediately recalling any sections of your Municipal Code that speak to that either.

Mayor Holman: Can I just interject just quickly. In 14 years, I can't think of a time when something went from Planning and Transportation to Policy and Services. In 14 years.

Ms. Stump: I would note if this proposal or set of ideas or possibilities goes through Planning and Transportation and comes back out to Council or Council Committees and there are substantial changes or differences, it probably needs to go back to the Planning and Transportation Commission. Just so that we satisfy that State law requirement that Planning and Transportation Commission review zoning amendments.

Council Member Wolbach: I was just going to say I think that I agree that there have been concerns about alignment in views between the Council and the Planning and Transportation Commission. I understand the Planning and Transportation Commission serves at the request and essentially authorization of the Council. I, for one, appreciate when people provide opinions that I wouldn't have come up with myself, even if I disagree with them, especially if I disagree with them. That's why it's nice to have advisory bodies, besides just to do grunt work, to think outside the box and to brainstorm. If a Commission proposes ideas that we are not in favor of, I think we should thank them and say, "Respectfully, we disagree, but thank you for getting us outside of our cognitive levels." That's a service. As I've said before and as Council Member Berman said, I do think that we are overdue for a joint Study Session with the PTC. I think that the members of the PTC have felt that they have not been appreciated by the Council and that they're doing the best that they can. There's a feeling of distrust on both sides that should be addressed. I don't think that tonight is the time to get into that any deeper. I don't ...

Mayor Holman: In saying that ...

Council Member Wolbach: I will not support this motion because it's essentially a vote of no confidence in the PTC.

Mayor Holman: Council Member Scharff.

Council Member Scharff: I understand the frustration of Council Members with the PTC at times. I do think it's really inappropriate to bash the PTC like we just did. I think that makes it very difficult for them to do their job. I do think that if Council Members do not have faith in the PTC to that extent, we should remove them and start over again, if that's what you really want to do. I would not support that. I would totally have support in the PTC and believe they have a job to do. Yes, I often don't agree with them, and I often didn't agree with the previous PTC. Every time I've been on Council—I often don't agree with the UAC, and I'm their liaison. I think reasonable people can disagree. These are citizens who volunteer for something. I think we really have to step back a moment and say to ourselves, "We're going to attack the PTC, because we disagree with what they think, the majority of them?" We have to allow them to do their job. I mean, it can't be great for them either if they pass something, they vote on it, they come to us, and we completely redo it. That's got to be a little disheartening. To add to it and say that we don't even want to send stuff to them in their statutory duty. We have a PTC, and our ordinance say the PTC look at all zoning amendments. This is a Council that has basically said that we should follow our rules. That would be the number one thing our Council has said. Here what we're saying is we don't like what the PTC comes up with and, therefore, we are not going to follow the rules. We are going to circumvent the rules because we don't want to listen to what they have to That's just wrong. I'm wrapping up. Therefore, I'm obviously not going to support this. I would hope that we wouldn't be so negative on the PTC, and we're trying to work cooperatively with them where we can. I think the notion of having a Study Session soon is a really good one, because I think we need to clear that air. We need to work together in some way.

Mayor Holman: Council Member DuBois.

Council Member Kniss: No, I'm Council Member DuBois.

Mayor Holman: You are Council Member DuBois.

Council Member Kniss: (crosstalk) get a dark wig.

Mayor Holman: Council Member Kniss.

Council Member Kniss: I think the only appropriate place to send this regardless of what comments have been made is to Planning and Transportation. That's their role. We may not all agree with it, and we obviously don't, but that is the role of an advisory group. If we send it right to Policy and Services, we might as well just bring it back to the entire group here and have a conversation. Otherwise, we're getting four of us and their

ideas. We have that Planning and Transportation Commission for a reason. I think Greg's idea of a Study Session, pull everybody together as we did with the ARB at one point—or was it your idea? Whomever's idea it was. I'm supporting the original motion. Meaning I'm not supporting the amendment.

Mayor Holman: Just a couple of quick comments here. I think we do need to have a joint meeting with the PTC, find an avenue to have conversation. Just to be clear here, it's like from a personal perspective. whether—I'll just speak for myself. It's not whether I agree or disagree with the recommendations that come from Planning and Transportation Commission. Believe me, I spent maybe half the time I was on the Planning and Transportation Commission voting with the minority. It's not that. You always take the risk of, like, Council either will or won't take the recommendations. That's just the way it is. I think the concern that I have is it seems like—I've watched a few of the meetings. The concern I have and why I want some guidance provided by Policy and Services—typically I would never support this amendment, really would not. I think right now it might provide some guidance to the Planning and Transportation Commission in reviewing this item. Too much of the things that I've seen from Planning and Transportation Commission are based on personal perspective and not grounded in the Comprehensive Plan and our zoning rules and the history of what the community has done and looked at before. That's why I would support the amendment, which typically I would not. Let me just add a couple of little points of information, so when this goes to wherever it goes. The Staff should provide the Planning and Transportation Commission Minutes from-was it ten years ago? When accessory units were considered, so that those issues can be considered. understanding be clear that if even if a second unit is built, there is no requirement that the City can impose that it be rented out. That whichever body ends up reviewing this also look at how we can address the loss of second units, because we don't even count—last time I knew—when we lose secondary units. We should be counting those. The streetscape issue, it's also a parking issue. That was where we got the big push back before, because people were saying, "We didn't buy into a multifamily zone." There was a great concern about parking. Those are things that I think would be helpful to have, whichever body reviews this next, in front of them. City Manager.

Mr. Keene: Thanks. Maybe I haven't been tracking the conversation completely. I would just interject one other thing here. That's efficiency a little bit. The amendment has three meetings rather than one meeting, if I'm reading it right. I know theoretically that sounds fine, but each one of those meetings is staffed. That means that Staff from Planning and the

Attorney's Office at a minimum are going to be going to everyone of those meetings. Ultimately, it comes back to the Council, so that's on just one sort of policy topic, unless I'm missing it.

Mayor Holman: I believe it's two rather than one, not three rather than one.

Mr. Keene: It goes to the Planning Commission before, then the P&S and then back to the Planning Commission.

Mayor Holman: No. It goes to Planning Commission and then to—excuse me. It goes to P&S and then Planning Commission. Two rather than one.

Mr. Keene: It probably will only take four meetings at most between tonight and the final Council action to deal with this issue. That's all.

Mayor Holman: I'll call a spade a spade. Council Member Burt.

Council Member DuBois: I'll channel the ghost of Council Member Burt. I want to agree with what Mayor Holman just said. It's not about agreeing or disagreeing. It's about the Council sending a policy direction. In the past if the Commission disagreed, they would do what was requested, and then they might write a separate memo and say, "We disagree with this." That's not happening. We're just not getting the work we request. In terms of efficiency, I think it's going to be more efficient to just send it to Policy and Services to refine it a little bit. It's too late at night. I would rather do it here right now, but I don't have that option. We're starting to talk about this after 11:00 p.m. The Memo was very open-ended. It talks a little bit about affordable housing, other things. I don't think it's meant that ADUs would be affordable housing under the legal definition. I just think a little clarity from Policy and Services will actually save us a lot of time. I think we do need to recognize that for whatever reason this Commission is not serving us the way other Commissions have in the past.

Council Member Berman: Mayor Holman?

Mayor Holman: Council Member Berman.

Council Member Berman: Point of clarification. How many rounds are we going on this one amendment?

Mayor Holman: I think we're just about done. Council Member Filseth. I only have this one last light.

Council Member Filseth: I was just going to comment to Council Member Berman that I don't think this is about bashing anybody and so forth. It's about how do we get this done the fastest and what's the best process we

can have to do this. I think that our gravity is to the community and not to any particular group or non-group or something like that. This is an important issue that we need to deal with.

Mayor Holman: Council Member Berman, now your light's on.

Council Member Berman: Yep. I absolutely agree we shouldn't bash Commissions. I think that's why we need to be much more careful with the words that we use from the dais.

Mayor Holman: With that, we will vote on the amendment to send the Colleagues Memo to Policy and Services prior to PTC. That amendment fails on a 4-4 vote.

AMENDMENT FAILED: 4-4 Berman, Scharff, Wolbach, Kniss no, Burt absent

Mayor Holman: We return to the original motion which is to refer the matter to the Planning and Transportation Commission. Seeing no lights, vote on the board please. That passes on a 7-1 vote with Council Member DuBois voting no.

MOTION PASSED: 7-1 DuBois no, Burt absent

Mayor Holman: That concludes that item. Council Members, can we quickly dispatch the next item so that we can ..

Council Member Kniss: Can we quickly dispatch it?

Mayor Holman: We'd allotted half an hour to it. Let's see if we can do it in 15 minutes. That would get us out of here by midnight basically. You have ten minutes of questions.

Council Member Scharff: (inaudible)

Mayor Holman: You did, you did.

Council Member Scharff: I'll be happy to discuss this some other night.

Council Member Kniss: I would move to continue this item.

Council Member Wolbach: Second.

Council Member Kniss: I think that calls for a vote.

Mayor Holman: You have ten minutes of questions. It looks like we could maybe put this on next week's agenda.

Mr. Keene: We'll work on that. (inaudible) questions, but how much conversation.

Mayor Holman: Right.

Council Member Kniss: That just starts the ball rolling.

Mayor Holman: Let's look at the—the motion does not indicate where we would put it. The Clerk and City Manager will look at putting it on next week's agenda.

Mr. Keene: We'll look at the next two meetings. Thanks. That'd be good. We start at quarter of 8:00 tomorrow.

Mayor Holman: The motion is to continue Item 23 to a date to be determined. That was the motion by Council Member Kniss, seconded by Council Member ...

Council Member Kniss: Cory I think.

Mayor Holman: ... Council Member Wolbach. Do you have something, Beth?

Beth Minor, City Clerk. This is a public hearing. Unless we continue it to a date certain, we're going to have to re-advertise it.

Council Member Kniss: Then let's get a date certain.

Mayor Holman: Is City Manager okay if we continue this to next Monday's meeting?

Mr. Keene: (inaudible)

Mayor Holman: Next Monday's agenda is scheduled to conclude at 9:00, but then we have the very lengthy Closed Session after that.

Mr. Keene: (inaudible)

Council Member Kniss: I move we continue it to 'til next week.

Council Member Wolbach: Still second that.

Council Member Kniss: Whatever that date is.

Mayor Holman: The 26th. To November 26th.

Male: October.

Mayor Holman: I'm sorry, October 26th. You fell for that one, didn't you, Beth, David? To October 26th.

MOTION: Council Member Kniss moved, seconded by Council Member Wolbach to continue Agenda Item Number 23- PUBLIC HEARING: Adoption of an Ordinance to Amend Chapter 18.79 of the Palo Alto Municipal Code Related to Development Project Preliminary Review Procedures... to October 26, 2015.

Mayor Holman: All those in favor or opposed. That passes unanimously on an 8-0 vote. Council Member Burt absent.

MOTION PASSED: 8-0 Burt absent

23. PUBLIC HEARING: Adoption of an Ordinance to Amend Chapter 18.79 of the Palo Alto Municipal Code Related to Development Project Preliminary Review Procedures. Environmental Assessment: Exempt From the California Environmental Quality Act (CEQA) Pursuant to Section 15305 of the CEQA Guidelines (Continued from August 24, 2015).

Inter-Governmental Legislative Affairs

None.

Council Member Questions, Comments and Announcements

Mayor Holman: With that we go to Council Member Questions, Comments and Announcements. Do we have any this evening? Council Member Wolbach.

Council Member Wolbach: Just a question for City Manager or comment. As was mentioned at a previous meeting and we heard a number of people say tonight, I do hope that we agendize a joint Study Session with the Planning and Transportation Commission at the earliest opportunity.

Beth Minor, City Clerk: Mayor Holman?

Mayor Holman: Yes.

Ms. Minor: We do have a Study Session scheduled with them for November 30th.

Mayor Holman: Council Member DuBois.

Council Member DuBois: We had the second meeting of the Water Recycling Commission. We agreed to invite other Palo Alto water customers to participate. We're also starting to look at projects that that group would fund, as a very early look at some options there.

Mayor Holman: Seeing no other lights, this meeting is adjourned.

Adjournment: The meeting was adjourned at 11:50 P.M.