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>> Councilmember Liccardo: We'll go ahead and call the roll.

>> Councilmember Liccardo. Here. Rose Herrera. Here. Vice Mayor Chirco, here, and Nora Campos absent.

>> Councilmember Liccardo: So we have a quorum. Review of the work plan. There's one item recommended to be dropped. Is there a motion on that?

>> Councilmember Herrera: Move to approve work plan.

>> Councilmember Chirco: Second.

>> Councilmember Liccardo: Okay, all in favor, that passes unanimously. We'll move on to the consent agenda, report on the key legislative items. I was going to request to pull this off for just a moment. If my colleagues would bear with me for a moment. Betsy, thank you very much. I appreciate the memo. I was hoping there might just be any additional update. I know this was prepared back in -- obviously at different times and things were coming in. Have we heard anything more from the MTC subcommittee that has now been convened or the ad hoc committee about San José or Santa Clara County's representation?

>> Betsy Shotwell: I have not. I did discuss this with the department last week, and a little bit, but I haven't heard that there's anything more other than where they've had the subcommittee meetings, and there will be additional meetings. But I don't know what that schedule is exactly. But we can certainly keep the council informed as to the status of the subcommittee's efforts.

>> Councilmember Liccardo: Thanks Betsy.

>> Betsy Shotwell: Thank you.

>> Councilmember Liccardo: Councilmember Herrera.

>> Councilmember Herrera: I just wanted to thank Sam for his leadership on this issue, and moving us forward, and I think it's very, very important that San José get another seat on MTC. I want to be on record as saying that again, and also as VTA board member, it's really important that we have that leadership. Thank you.

>> Councilmember Liccardo: Thank you, Councilmember Herrera. Okay, so the consent item, we'll entertain a motion.

>> Councilmember Herrera: Move approval.

>> Councilmember Chirco: Second.

>> Councilmember Liccardo: All in favor -- okay, that was, I guess, a motion to accept. Then moving on to reports to committee, we have first verbal report on energy efficiency. Hi Kerrie.

>> Hi, Kerrie Romanow, assistant director with environmental services. I'm joined by Mary Tucker, our energy program manager, and I think you guys know John. This month we'll talk a little bit about the pace financing, PG&E update, you'll notice we're now focusing on energy and PG&E every month. Municipal energy efficiencies, renewable energy projects and then community energy efficiency projects. So the pace programs are on hold throughout the country. Recall that's the property assessed clean energy financing. Formerly known as the Berkeley first program, now known as California First among a variety of other acronyms. In July the CEC cancelled the state energy program, the municipal financing arm of that, and that was based on direction from DOE, which was resulting from some challenges from Fannie Mae and Freddie Mac, in regards to their ability to be a first lien. So in August the state energy programs were revised to include a variety of types of energy retrofit financing, not just pace program. So it really doesn't have a material effect on how we're approaching our work, it just means that the California first program may or may not happen, but we'll still go through with community based financing programs, they just probably won't be on your taxes. They'll be through a variety of other mechanisms. But we'll see. There's some legislation in the House and in the Senate that would override the

objections of Fannie Mae and Freddie Mac, and if those were passed, then the programs would be reinstated. And so just to remind everyone, doesn't affect our DOE grant, doesn't affect the type of work we're doing. Does that make sense?

>> Councilmember Liccardo: Can we stop to see if there are any questions on that issue? Are we okay on this?

>> Councilmember Herrera: What does it affect?

>> So the Berkeley first program, California first where you could borrow and it would go onto your tax, your tax roll so you could pay it off that, now we would just have different types of financing more like the normal second on your house or different types of loans.

>> Councilmember Liccardo: Thanks, Kerrie.

>> They didn't like being second, but no one really does. So then our PG&E update is, we were asked to kind of provide an update on PG&E city activities, and we'll kind of spread those out throughout the next couple of months. So this month we'll talk about our smart meter rollup -- rollout. At the end of July 61% of the electric meters and 62% of the gas meters in San José are now smart meters. We're a little bit ahead of the county averages, not by much, 59% of electric meters for the county and 61% of gas meters. So their goal is to have those roll out through the January-February time line and have all the city on smart meters.

>> Councilmember Chirco: On the smart meters, I continue to hear on the news major complaints about utility bills and the reliability. And so I'm just asking, do you have any information on PG&E and update on verifying that the meters are functional, and actually monitoring energy properly?

>> Right. The PG&E engaged a third party consultant to do a study and validation of the efficiency and effectiveness of their meters. Those results haven't been put out yet. There have been some meters that have been exchanged and there is some -- some discussion of whether or not they interfere with other devices.

>> Councilmember Chirco: I've heard that also.

>> But I think the jury's still out on that. So when this third party comes back with their results I think we'll have a more definitive answer. A lot of complaints about people where their bills are going up but every now and then there's someone who says it's gone down. Those seem to be far less. Anything to add to that?

>> No just the CPUC is waiting for that independent analysis.

>> Councilmember Chirco: When do they expect that to be concluded?

>> I had heard the end of this month.

>> Councilmember Chirco: And do they continue to install at the same rate? I'm just concerned about not just our community but all communities that are experiencing challenges. Like to have the -- the valuation before they continued it. That's a lot of meters.

>> Yes, that -- yes.

>> Councilmember Chirco: All right. Thank you for that information.

>> Councilmember Herrera: Along the same lines but slightly different take, I have some folks in my district 8 too that have asked some questions about it. And I had an opportunity to go to an energy conference up at Stanford where PG&E talked about these smart meters and their role in the smart grid. I am hoping that PG&E comes out soon with an educational component of this, so the community knows why this is such an important piece in this in us moving forward and ruing energy cost, that this is really a bet on the future and yet I don't have all the answers but they need to move forward. And I think if they could do that with a more educational approach, that involves the community, there would be less suspicion. There's a lot of suspicion that this is just a way to jack up

my energy bill. I don't think most people understand the importance of this in terms of being able to monitor energy use, to give individual homeowners a chance to understand how they consume so that they can change their own behavior and save money, it actually can be a useful tool. So people can get past the faculty that this is being forced on them. So I hope that they're -- I heard they are doing some kind of educational things, in partnering with their community. Their president told me that when I met him up at Stanford. So I hope that we begin to see that, because it's really important, if people thought there was really a bigger picture here, that it was going to be helpful to them, I think they would be willing to give it a shot. Also they need to be very critically analyzing how well that equipment is working, too. I'm not dismissing that at all but anyway --

>> Mary, do we add a little educational piece into some of the energy efficiency outreach work that we do?

>> Yes.

>> Okay, so we'll try and coordinate with PG&E and help push that message out a little bit, at least get a little more dialogue around it.

>> Councilmember Herrera: I think they should pay for it, too. I mean, I don't want to see us expending a lot more resources. I think they should expend the resources. Because it's their -- I mean they're doing something that was going to help all of us ultimately. They need to expend -- they are getting revenue too. They need to expend the resources out there to deal with it, and I think it would help people accept the idea.

>> Councilmember Liccardo: You know on that very point, certainly we've been talking about smart grid and smart meters for some time. But I know that there's varying levels of penetration in communities as to how different people are going to be, if they're just not in the conversation. If there's a couple paragraphs that you think would really effectively get the word out with maybe some key links that we can include in our news letters to our constituents, that may help at least address some of the questions. Is that something that the --

>> Let me try and get some language from PG&E. Because I really don't want the city to be advocating.

>> Councilmember Liccardo: Good point.

>> Unless you want me to. I don't want the city to be advocating for smart meters.

>> Councilmember Liccardo: You're right, it shouldn't be the city's problem, you're right. Rose.

>> We'll see if we can get some language from them.

>> Councilmember Herrera: And if there could be a Website, a phone number, some way that the community can address PG&E's person, whoever's department or whoever's handling the education component, I think they need to have that. Because they come to council offices and they want us to engage PG&E. PG&E is watching us. They should have the ability for the community to interact with them too.

>> John Stuffbean: I will note that I got my letter from PG&E last week, and they installed a smart meter at my house. And there is a phone number here to call if you have any questions. So I'll report next month on my feelings about it. There was -- it was just a letter, you know, it wasn't like a brochure that gives you information. Just a letter that says here's a letter to call. It seems like it's lacking a bit.

>> Councilmember Herrera: People have called the number. They aren't getting the kind of education I'm talking about. It's one thing to say yeah, the meter's out there, we have the right to do it, it works, but it's another thing to really take a proactive approach, to explain how this all fits into a big picture, how it's going to benefit the consumer. So that's what they need to do.

>> Councilmember Liccardo: Okay. So those are two issues now at this point.

>> Okay, sorry.

>> Councilmember Liccardo: No, no, those are two big issues. Absolutely.

>> Great, well, moving on to our energy efficiency conservation EECBG grant money, recall we got 8.5 million. We're ready to move forward on the energy auditing contractors. So we have two contractors selected, and they'll go to council next month to award \$640,000 in auditing services to get that off and running. The LED street lights, the master street lighting strategy will move towards council, and that's about \$2 million and then 50 megawatts of renewable for municipal facility is \$2 million, and that's moving forward as well. We have issued the RFP in June for 14 megawatts. The proposals are due August 16th, today, of 38 facilities, and then we'll be issuing an RFP for one megawatt solar at the sewage treatment plant, that will be later this month. And then the central service yard is on target to be done in October/November, so lots of good movement there. And the community energy efficiency project, we have the Silicon Valley energy watch is on target for its first six months of a three-year program. So it's an \$850,000 award over three years. The first six months we're doing quite well, although we didn't necessarily have the most aggressive goals in the early part of it. Overall, they'll save 12 million kilowatt hours and 800,000 in annual bills. And then the innovation pilot program will be hopefully tomorrow, y'all will approve that, and that's community grants for energy efficiency education, \$350,000 total there, and municipal whole-house retrofit program coordinated with housing, that will provide some supplemental money to do even better work at low-income communities. And then community solar projects, the solar America city, the employee group purchase is going along very well. We have 130 employees engaged in that process. The credit union has selected Sunpower for PV and solar and Sunwater for the solar thermal vendors. So those will go out, listed down here are the conversations that we'll be having with employees, and hopefully get that purchase going. They got excellent interest rates, below what pace would have been anyway. So that was -- they are in the 3.5 to 5-ish ranges. Which is wonderful. Hopefully we'll have a bunch of employees with solar very soon. And then we've got some street signs. You have a picture there in your handout. We only received 25 of them so a group of folks from D.O.T, the attorney's office and ESD picked -- I'm sorry we got five signs. And they picked the spots for those five signs. So if you haven't seen one, now you know where you can go to find one. And then we also did workshop on regional renewable power purchase agreements. That's through the joint venture Silicon Valley network. Some cities and municipalities are coming together to do joint solar purchases, and we just facilitated the educational portion of that workshop to kind of

share what we've learned. That's part of our DOE grant anyway. But we sure would like more cities in the Bay Area to install solar. The last page are typical listing of classes, the ones that are shaded are the ones that residents might be interested in. So if you guys could spread the word on that, that would be wonderful. And that's all our energy news for this month.

>> Councilmember Liccardo: Fantastic. Thank you, Kerrie. Okay, any questions or comments?

>> No, great report.

>> Councilmember Liccardo: Great to hear so much progress with getting the solar moving the 50 megawatts and then the additional 1. That's grade news.

>> We hope to get a lot of proposals today.

>> Councilmember Liccardo: Yes, great. Okay. Then we'll move on oitem number D 2, municipal regional storm water permit implementation update, John.

>> John Stuffbean: Yes, I will turn it over to Melody Tovar, deputy director, watershed protection, who will start the presentation.

>> Councilmember Liccardo: Hi, Melody.

>> Good afternoon, Melody Tovar. I'll actually be joined by Elaine Marshall, our stormwater program manager, who will start the presentation.

>> Good afternoon. You guys have copies of the presentation which were left on your desks. And I'll go ahead and start today. Again, my name's Elaine Marshall, I'm with environmental services. And I'm here today to provide an update on the city's implementation efforts under the storm water permit. The permit regulates

discharges from municipal storm water system and specifies and requires actions to reduce pollutants in storm water to local creeks and the bay. Are you guys ability to see the slides? I see Judy kind of --

>> Councilmember Chirco: Yeah, it's kind of --

>> -- straining a little bit.

>> Councilmember Chirco: The copy's better.

>> Please go ahead and follow on your handouts as well. As we've reported to the committee and to the city council in the past, the San Francisco regional water quality control board adopted a new regional storm water permit last fall, this became effective December 31st, 2009. This replaces the county by county storm water permit approach with a new single permit that regulates 76 Bay Area cities. This was done in an effort to standardize permit requirements throughout the region. And the requirements fall into different programmatic and operational areas which I apologize are shown on the first slide in the diagram. The requirements under each of the operational areas is more explicit in the permit and the regional nature levels the playing fields across all Bay Area agencies. San José is just one of 76 permittees, though we are by far the largest community represented. We represent approximately 1/5 of the population that's regulated by this new permit. I want to touch on some key accomplishments during my presentation but did want to highlight additional requirements that we've completed since the beginning of the year. And that includes city council has adopted and updated the council policy 814, which stipulates hydro modification management requirements for new development projects. That occurred earlier, I believe in February of 2010. Our watershed enforcement program completed an update of its environmental response plan. And we've completed an inventory of our storm water pump stations and updated -- I'm sorry -- and developed new protocols for monitoring those pump stations and we've actually started the monitoring as required by the permit last month. Today's update will focus on several programmatic areas which are highlighted in the slide diagram in yellow. I'm going to start with one of our most visible program elements, that's our inlet mark program. The purpose of the inlet mark program is to increase community awareness that our gutters and inlets flow directly to creeks without treatment. And that storm water flows through the inlets and ends

up in our creeks without treatment. Inlet marking also facilitates citizen reporting of illegal dumping and allows the city to respond and investigate accordingly. The new permit actually requires that all municipally maintained and owned inlets that requires that 80% of the municipally owned and maintained inlets are marked by 2014. Historically the city has utilized stencils and paints to mark our inlets, and we have found that those markings are readily -- I'm sorry, wears readily and requires frequent repainting. So staff over the last three years have researched and tested different approaches and applications for marking the inlets. And we found that the thermal plastic markers offer the best balance of long term durability, legibility and cost. Approximately 6500 markers have been installed throughout San José to date. In the past we have utilized private traffic marking contractors to install the thermal plastic markers. Department of Transportation staff starting this year will be installing these markers throughout the city at a base of about 4500 per year. In the past few years, there has been heightened attention and numerous news reports about the significant impacts of trash on waterways and wildlife. Trash can get into creeks through various ways including illegal dumping and litter that is washed down storm drains. The storm water permit places a heavy emphasis on reducing trash to waterways from our storm sewer system and sets out very aggressive goals including 40% reduction of trash flowing through our storm sewer systems to our creeks by 2014 with virtual elimination of trash going to creeks from our system by 2022. It also sets out requirements to install devices within the storm sewer system itself to catch trash and requires that the city identify and annually clean up 32 creek hot spots for trash. What's shown on this slide is a map showing all of San José's 32 hot spots. Back in June of 2010, we provided an information memo to the city council that identified and listed our 32 hot spots and provided information on the process we use to identify them. We did engage stakeholders including local community groups, creek organizations, other city staff as well as partner agencies and through that process came one a list of 89 hot spots in San José. After applying selection criteria that included access to the hot spots on an ongoing basis, safety, visibility, and the likelihood that the trash was coming from the storm drain system, we did narrow those 89 hot spots to our final 32. The cleaning of the hot spots has already begun. We've used both volunteer and paid labor crews as appropriate for the location. And we'll continue to complete the hot spot cleanups through this dry season. Also shown on this map for informational purposes in green are seven of the Santa Clara Valley Water District's 12 required hot spots. I just wanted to note that we did work closely with the district in identifying the hot spots and looked for opportunities to identify hot spots adjacent so that we could leverage resources and coordinate the cleanup activities. The

cleaning up of the hot spots is required by the permit but is by no means a long term fix for trash in creeks. So the permit does require that the -- that agencies install trash capture device in the storm sewer system. It actually specifies a minimum land area of 895 acres be treated with these types of units. This represents about 1% of San José's land area and we recognize and know that in order to meet the reduction goals in the permit we will have to install trash capture devices beyond this minimum requirement. Shown here are -- there are two common types of trash capture. One is shown here. These are the inlet screens. And these are installed basically within the catch basin inlet, kind of the box shown on this slide. And the design is intended to keep the material and debris in the inlet while allowing water to flow through the grate and up into the storm sewer laterals and continue in the storm sewer system. We currently have 84 of these inlets installed throughout San José in an effort to pilot and get a better understanding of how these units work in our system. We've been monitoring accumulation rates, actually sorting the material that ends up in the catch basins as well as working with Department of Transportation staff to monitor maintenance and impacts on the storm sewer system. We will be installing additional units this year. And there are some challenges, though. These inlet screens don't fit in every catch basin. We don't have standard catch basins in San José so each one does have to be individually measured in order to fit appropriately. And we also found and learned during our pilot deployment of these units that we had to visit four catch basins in order to find one where these inlet screens would fit. By design, these inlet screens are intended to keep trash in the catch basin itself, and so it does result in additional maintenance. I know what we're working on with the Department of Transportation is a better understanding of what new maintenance requirements result from these inserts. And so these units while they have a relatively lower cost can have a long term maintenance burden on the city. The other option for collecting trash is to construct these large separator device in the storm sewer system. An example is shown in the diagram above where you'll see these are installed in larger lines. The water containing materials and trash kind of flows in from the left. It's shown in orange. As well as in the unit and allows the trash to drop through the center. The clean water kind of continues out the right side of this diagram and continues to a nearby outfall. We have identified two location for these units in San José. Public Works has completed design and is planning to release bid documents within the next week. We hope units to be installed within this dry season. The goal ask to monitor the effectiveness of collecting trash and also to allow the Department of Transportation staff the opportunity to assess maintenance needs during the rainy season as a result of these units. Coincidentally, the two locations we've selected are located by schools. One actually runs

through a street through San José high academy and so staff have worked with and immediate with San José unified school district and Franklin McKinley school district who is the second unit is located by to coordinate construction schedule and just inform them of the project. Both school districts are very supportive of the efforts. The benefit of these units is that they are bigger and they treat a larger land area. So while the catch basin insert screens treat approximately two to three acres per screen, these units have a larger range. The two that we're installing range from 40 acres to over 210 acres per unit. So the balance is that while there's an initial capital investment to construct these and install them, they offer the benefit of potentially lower maintenance cost over the term of the device itself. And so while we move forward and determine the best approach for the city, we are also looking for additional funding opportunities to offset kind of the City's cost for these units. One opportunity that we are currently working on includes a grant of ARRA funds that the San Francisco estuary has recently received. That project was intended to demonstrate and install these types of units throughout the Bay Area. So we've been working with the estuary partnership on implementation of that grant. Our allocation for San José under that grant is approximately \$660,000. We're finalizing the terms of the agreement right now and hope to bring the agreement to council within the next month. So collecting trash after it gets into the system or into our creeks is resource intensive and costly long term. To ultimately have an impact we really do need to also work on changing behaviors about litter, littering, as well as changing behaviors for folks who use litter -- highly littered material. Things like single use bags or polystyrene. Initiatives such as those will be credited towards the city's trash reduction goals and will be included in our trash reduction strategy moving forward. So in addition to trash, the permit also addresses other pollutants of concern including mercury and PCBs and requires special studies to evaluate methods to control them. Mercury and PCBs are present in the environment from historic uses. In the case of mercury their legacy from old quicksilver mining confident and while PCBs were banned in the late '70s they remain in the environment from old industrial uses and other sources. Both of these pollutants can attach to sediment, and that's how they make their way into our storm water. And as you know storm water flows directly to our creeks without treatment. So the permit requires the region to identify and implement five pilot projects where we're diverting storm water flows to a wastewater treatment plant. The first step is actually completing a feasibility criteria report which is currently underway. As you can expect there are many issues surrounding this topic including significant impacts on both the collection system and wastewater treatment plant operations. So our staff have been actively engaged in this regional effort and will continue to work to ensure that San José's

interests both from a collection system perspective and a plant operations perspective are considered in the pilot project as it progresses. There are other regional grant funded studies being implemented, one of which focuses on exploring ways of controlling the release of PCBs in the environment from construction demolition and renovation. So while PCBs were banned in the late '70s construction activities during the '50s and '60s often used caulk that could contain PCBs in it. So what the goal of this project is to look at exploring and identifying best practices that would control the release of PCBs during renovation and or demolition of these older buildings. With that that completes my portion of the presentation. I'm going to hand it over to Melody Tovar who will bring it home for us.

>> I'm going to talk about the elements of the permit that deal with how our community builds and rebuilds in a way that protects water quality. In addition to our implementation update our recommendation is also includes that the city council direct the city attorney's office to make some changes to the Municipal Code to support our program implementation. The storm water permit recognizes that even small construction projects can contribute pollutants to our creeks, mostly sediment but also the ore materials used in a construction setting. And it righteous that the stir have the authority to require best practices at these sites on all construction sites regardless of their size. Such practices are aimed at keeping dirt and other stuff out of the storm water system and out of the creeks and can really be simple things like protect your storm drain inlets and covering any storm materials on the site. Here we've shown a couple of examples, the first one done not so well, the second one done only somewhat better. And so the permit requires that we have enough authority to make changes at sites such as these. Currently the code includes broad prohibition of any polluted discharges or any nonstorm discharges. Staff is recommending that we make the specifics of the provision more clear in our municipal code. And that we can require best management practices on all sites even the small ones and that we can be specific in that requirement. As noted in the memo which was developed jointly with ESD Public Works and Planning the recommended code changes would more specifically allow the city to require these practices including those only subject to building permits. So right now we do have some specific prohibitions and requirements or practices in the code but it only applies to permits that have discretionary permits on them. So if they're built under a development permit, we already have this discretion, but we don't outside of that box. And the permit requires that we have that authority outside of that box. This would strengthen the City's ability to enforce these storm water

controls when needed such as when responding to a complaint. The code changes more explicitly align to the permit's requirements, but our programmatic approach is not expected to change. For our larger projects, construction projects still over an acre, have to comply with not just our municipal storm water permit but also a statewide general construction permit which has recently been amended too just like our permit was in 2009, and is significantly more robust than the last statewide general construction permit. So construction project managers are already facing increased requirements on their sites. And our changes to the Municipal Code, are very small piece compared to the statewide requirements for large projects. A reminder that these requirements are regional from our municipal permit, and so communities around the Bay Area need to make similar changes in order to have adequate authority to address construction site storm water control. Programmatically our approach is not changing. As I said, our inspections are focusing on the larger sites. We do do routine inspection of large construction sites, both Public Works, ESD, and building are all out at these sites routinely. For smaller projects our approach is to continue with education first. For example, via the permit center and then to enforce and use additional education as needed for specific locations when we get a call for a complaint when we observe problems at a site. So really the change in the code it will help us enforce when we need to, but we are not planning to go out any more frequently than we do now to the smaller construction sites. In the development of this recommendation we did outreach to the building industry in a variety of ways. In collaboration with Public Works and Planning we were at their developer round tables. With the building division we went to their construction round table. And primarily because of the statewide general construction permit, there have been a host of trainings over the last six months about increasing regulatory requirements and the need for enhanced storm water control at construction sites so we believe that the building industry is well poised to be responsive and compliant with this particular requirement. Also related to development projects, we are recommending municipal code changes regarding storm water treatment systems that are installed not just to address construction time activity which are what those are but also storm water controls that are installed for the life of the project to manage tomorrow water at the sites in perpetuity. Such systems can be things like swales or bioretention areas or mechanical devices. And these have been a part of our storm water program for ten years. Our storm water permit continues to require that we have a program that has us inspecting these sites to ensure that these storm water devices work over the life of the facility, on an ongoing basis. And so we are looking closely at our code and we are recommending that the code be changed to explicitly require that for

mechanical devices in particular they have -- we have the ability to require that sites give us maintenance records for those large mechanical devices, not so unlike the one Elaine showed you for trash. And that they required to be maintained in accordance with manufacturer specifications. Already the current code allows that we can require that they operate and maintain the facilities in order that they work. This just adds an additional layer of specificity related to mechanical devices. Mechanical devices have been the largest concern to the water board because in some communities if they're not well overseen they're not well maintained because they are underground and rather hidden and typically the responsibility of private property owners. This way of requiring maintenance records and allowing that those be shown to an inspector is very consistent with what we do now on industrial sites so this is just applying something we commonly do in our enforcement programs to what have been newer elements of our enforcement complement with these post-construction best-management practices. While we're on the subject of new development we also wanted to update the committee on the low-impact development provisions of the storm water permit. The current permit seeks to be more specific in its definition of what low-impact development techniques are really desirable for storm water management. LID as it's called includes collecting and reusing storm water, the treatment of storm water via infiltration, evapotranspiration, like green roofs, or bioretention. These are typically landscape based measures and they do require land that for certain types of development is a high premium. The storm water permit also recognizes that high density infill and transit oriented development is inherently beneficial to the environment compared to traditional developments because it encourages walking, cycling and transit co-located within housing, employment and services. And so our current strategy for smart growth allow for fewer vehicle miles which for less automobile use means better water quality. The permit allows us the flexibility to propose certain types of development that would be afforded greater flexibility in storm water management. They could use techniques other than that narrow list of low impact measures to manage runoff. We've been coordinating for the last six months with regional partners on what's called the special projects proposal. That's how we would get this greater flexibility through the Bay Area storm water committee. The committee met with the regional board in April to go over some specific descriptions of what special projects may be and later met with building industry representatives in July. The building industry shares our concerns about the practicality of using the confined number of low impact development techniques in a smart growth strategy and is prepared to collaborate with us in support of the committee's direction. Our next steps are to continue coordinating regionally with the association of Bay Area governments and the Metropolitan

Transportation Commission to align this proposal with the regional growth strategies and plans of the region. We'll continue to work closely arm in arm with the planning division on this particular element to make sure we're consistent with the city's general plan and smart growth strategies. We'll bring something to council depending on timing in the fall of 2010. It is due to the water board December 1 and it is envisioned to be in the permit a public process. So whatever we recommend is not a rubber stamp item. This needs to go to the water board and will have a public process associated with its adoption. So as you can see the permit has a few elements to it and it's been a big journey over the last six months working with many groups, a lot of people in the city have been very busy implementing the. The permit asks that we move on many tracks at the same time. That's why I'm thankful for all our partnership within the city to make this happen. A quick recap of our recommendation: We are asking that the committee accept our status update and recommend that the city council direct the attorney's office to prepare an ordinance amending our municipal code for construction sites and storm water treatment maintenance of our systems. Thank you.

>> Councilmember Liccardo: Great, thank you Melody and thanks for the great work of your team putting all this together. Okay, questions or comments?

>> Councilmember Chirco: The one that just keeps coming up is cost. And I know that's -- answers you're working on. On the large -- you were talking about hoping to be able to tap into some grant moneys. What is some of those large trash --

>> Capture devices?

>> Councilmember Chirco: Capture devices?

>> For example the two that we're working with Public Works on installing would cost a total of \$175,000 just for the device themselves. And then the estimate for actual construction and installation is close to 5 to 600,000 for the two.

>> Councilmember Chirco: Wow. Because you gave a figure that -- that takes, if we can get that, that entire amount of money.

>> It is. What we're intending on doing is accessing the grant funding to purchase the devices themselves and then the city would be funding the construction and installation cost.

>> John Stufflebean: And obviously those would have to be used on a very strategic basis. Obviously we couldn't fill the city with those, it would cost billions. So we're looking at those where there's particularly hot spots. And that will help us. And any time we put one in it's less trash in the creek, so it's a good thing. But obviously, other strategies are necessary to really solve the problem.

>> Councilmember Chirco: I'm really excited to see this, because I know the council has been looking how do we keep trash out of the creeks, and of course, it is the single use plastic bag. And I think that just makes a compelling argument, that we have to look at how we are creating material that winds up clogging our creeks and polluting our streams. So having the stronger and the regional wastewater permit I think is really helpful in that conversation. So thank you for all your hard work and it's exciting to kind of see it kind of coming to a final report that will now go to council. So thank you very much.

>> Councilmember Liccardo: Thank you, Melody. Rose.

>> Councilmember Herrera: It might be in here. Thanks for the report. What percentage of the trash ends up or the things that end up in our storm water system are prevented by putting these capture devices in, once where they're all implemented?

>> That's dependent on how many we install. They are by definition from the regulators considered full capture. That is, they are preventing everything from coming through, as long as they're maintained properly. They're designed with a 5 millimeter mesh screen, about a cigarette butt, ironically. Actually designed to prevent cigarette butts from going through, not ironically, but they are designed for full capture. So it depends on

where we install them. As Elaine said, to meet the minimum requirement for installation of specifically trash capture devices, it's only 1%. So even if we were to target the most -- 1% of the land area of San José. So even if we were to target the dirtiest areas we're probably talking about less than 4% of the overall trash load coming from our storm sewer system from that particular activity. So that's part of what we're going to evaluate. We're coming back to the committee in the fall with an overall trash reduction strategy that is going to aim to be more specific about how much trash capture we would recommend be included in our program compared to the various pollution prevention alternatives that will also need to be added.

>> Councilmember Herrera: And how much do you think we need to have people out there, human beings cleaning up along those areas assuming there is some that still gets to our creeks and would be headed to the bay?

>> Well that's what the 32 locations are intended to give us information on. So we specifically identified 32 location that we think have -- trash can blow in, trash can be dumped in, trash can come from our storm sewer system. We narrowed the locations to focus on those where we think the storm sewer system is contributing substantially to those location. So the intent is when we do these onland actions over the next four years, we expect to see a reduction in what we find for clean up in those locations the creek.

>> Councilmember Herrera: I have one completely maybe unrelated question, but I am wondering if you guys know. In our neighborhood we see the raccoons coming up out of there. Are they in there because of the trash that's in there, are they being attracted to that, or that's just where they go because humans have encroached on their space? Do you have any comments on that?

>> That's their underground railway. That's how they move from place to place within the city, so that's how they relocate.

>> Councilmember Herrera: Does trash -- are they attracted down there because of the habits or things that are happening, or is that unrelated to it, do you know?

>> They might be. I don't know it's significant part of it. I think they actually come up for food, for grubs, like in my backyard.

>> Councilmember Herrera: Okay, thought I'd ask. Another question you mentioned mechanical devices in a construction site that are typically hidden so you have to look at maintenance records to see if that's a contributor like this. What are you talking about in terms of the construction site?

>> Sure. Not so much for the construction activity but for this requirement to install some type of control devices or features in a site so once we build a building the storm water on that site is treated before it gets to our system. One of those treatment methods can be a mechanical device like what Elaine showed, or some other kind of typically underground, vaultlike structure. And the concern based on past years has been that past years in other areas have been that they're not maintained as frequently or as diligently because we often require them as part of private development. They will be on the private for example in a large big box retailer in their parking lot and whether or not they're maintained is the responsibility of that property owner or manager. Our permit went a step further than other permits. I think everyone else catches up now to say that the municipality is responsible for having some type of program that goes back to those sites and those facilities to make sure they are being operated and maintained. So we think with that program element we won't see the same kind of failure of those kinds of devices.

>> Councilmember Herrera: Are they more likely to be used in the urban area?

>> Yes.

>> Councilmember Herrera: Because one of the concerns about this we're encouraging our smart growth but then obviously the report spells that out. They don't necessarily have if area the land area to do it so they would be more likely to use these underground devices right?

>> They are very practical even in a landlocked area.

>> Councilmember Herrera: I guess I'm concerned -- well I think it's very important, and I applaud you for meeting with the builders and maintaining that dialogue. Because I certainly want to make sure that we included them in terms of implementation of this, that we're not overly burdensome on them since they're also trying to participate in creating the right kinds of development that will maintain the environment. You've detailed that nicely in your report. I want to continue to work with them and as we move forward on these times of things that they can work in such a way that we are not harming businesses and at the same time achieving what we're trying to move forward on the environment.

>> Councilmember Liccardo: I just had a couple questions, one the trash-capture devices. I think, Elaine, you made mention that you're still figuring out how we deal with the maintenance issues there and cleaning. I assume storm service fees would pick up the cleaning on those devices.

>> Correct.

>> Councilmember Liccardo: Yeah, okay.

>> John Stufflebean: Whenever Molly says yes --

>> Councilmember Liccardo: The all powerful has nodded so -- I thought it was interesting that road expansion was included within the potential -- within the category for exemptions from LID. Is that because the assumption is that we're expanding the road so we're going to have a scarce amount of land or are there going to be circumstances where we're expanding a road and we could have lots of land and we'd still want to do, implement these kinds of measures?

>> Typically when we're expanding a road we're dealing with a limited amount of right-of-way to deal with. So it's considered another premium land scenario. It is frankly going to be the most difficult of the special projects

definitions to align with the idea that there's an inherent water quality benefit to doing them. Having said that, the board management acknowledged, even when developing this permit, that that's a tough situation, and that's a very tough situation to think that you're going to do low-impact development on just the widening of the road. You almost invariably have to do the if whole road because they slope and they're joined and so the idea would be you need to have enough land to do low impact development not just for the lane but almost invariably for the entire stretch of the road. So they agree that it's incredibly complex and we have not yet completed the conversation of how it will fit into a special projects program.

>> Councilmember Liccardo: Well good luck on that. I have very belatedly submitted a memo. And for my colleagues it makes reference to a confidential memo that was distributed by the City Attorney recently. I'll be happy to refresh your memories with that for your future reading. Perhaps councilmember, you could pass that, thank you. Let me explain the origin of this memo. We've had some conversations with John and your team and with Leslye Krutko over at housing and about folks over at the Water District about whether there's an opportunity as we look at our hot spot creek areas and I guess it's no coincidence I'm sure as you look at the map that they're overwhelmingly in around and adjacent to the downtown. We know that homelessness is an issue as well there and the issues are somewhat intertwined. What we're looking for is opportunities to see if there might be a way to modify a very innovative program that's being used very well in Palo Alto, the downtown streets team and implement that in the context of San José where we do have significant homeless population that would be both benefited by and part of a solution here. So what this calls for is simply to ask that staff would engage with Water District and council and have that conversation really brought up to that level so it's not just sort of our office poking here and there, but actually sort of elevating the conversation to decision makers. And obviously, that isn't what would go to council. The intent I think the memo suggests it would come back to committee at the same time. I know we're contemplating our fall meeting with the trash reduction strategy. Hopefully it could be brought back in some way. Obviously the confidential part of this would be conveyed by City Attorney memo. So then we could decide whether or not this idea has any legs to it. I would ask whoever makes this motion might have that in mind.

>> Councilmember Herrera: I'll make the motion with your suggestions.

>> Councilmember Chirco: I'll second it. Those are good ideas in your memo which I read while I was sitting here.

>> Councilmember Liccardo: Sorry.

>> Councilmember Herrera: Wish I had more time. I think it's a very creative strategy, I think we need to look at out of the box strategies, it engages the homeless community which is really laudable. I had the opportunity to visit a program, I don't recall now the name of the program but it's one of the homeless programs where we actually do have interim employment where we're having folks that are living there work and then transitioning into regular employment and they say it is very successful. So this is similar, and I think it's a great idea that ought to be forward and explored.

>> Councilmember Liccardo: Thank you, councilmember. John.

>> John Stuffbean: Our staff recommendation would be to bring that back when we come with our storm water permit update in the fall which we already have scheduled on the T&E agenda. We will include this as an item.

>> Councilmember Liccardo: That will be great. John, I should tell you from our conversations with the Water District, I know you guys have been talking to them too, we seem to be getting positive signs on working together with us. I would like to have at least some City of San José involvement insofar as the housing department, and they have provided lot of assistance, anyway, thank you.

>> Councilmember Herrera: I guess the prop 218 item will be analyzed.

>> We'll take that as a request to our office to provide some additional information to council.

>> Councilmember Liccardo: Thank you very much. Motion is on the table. All in favor. We don't -- no comments from the public. I'm sorry I haven't actually asked. I don't see any cards. Were there any comments from the public on this item? Okay, in that case the vote has been taken. It will remain unanimous. We'll move on to item D 3. I'm sorry, did I get that number right? Yes, D3, report on green building policy update, public involvement. Hi, Laurel.

>> Laurel Prevetti: Good afternoon. Laurel Prevetti, assistant director of Planning, Building, and Code Enforcement. With me this afternoon is Katherine Sedgewick, our plan director for all private development for the City of San José. We're here today to update you on our outreach efforts regarding green building. As we discussed in May, the state building code is about to be modified effective January 1st, 2011. So we are evaluating those Cal Green provisions vis-a-vis our own green building policy and ordinance. We have been conducting significant outreach to the development community, to the architecture community and others. And Katherine will summarize an overview of some of the outreach that we've done and the major comments that we've heard to date in our approach to balancing what we need to do in terms of environmental leadership, with also making sure our community knows that we're open for business and that we welcome business to construct in San José. Katherine.

>> Okay. So far we've met with three groups, housing, developers, the developers round table and the chamber of commerce. And two major theme seem to be coming out of that. The community would like to have more flexibility in implementing the green measures. Specifically, they're not -- they're looking for alternatives to what we currently have in the third party certification system. So that's probably their number one -- number one feedback we're getting from them. Also they're interested in incentivizing, implementing some enhanced green building measures as well. Just to give you some more -- give you some background. Currently you know we have a green building policy with the City of San José. The state this year is implementing mandatory green building standards code. And that will become effective on January 1st, 2011. And that is statewide. All the jurisdictions in the state will be applying the green building standards code. So what we're looking at is here in San José, we have a green building policy, but we will also have a green building standards code. There's a baseline that we will be implementing. What we're looking forward to, next year, is examining those alternatives to

third party certification. So that we can give the development community the option of going with a menu of measures tailored to the City of San José that are reasonably attainable or going with the third party as we have it. So that's where we think we're going with this. And we're looking forward to working with groups like American institute of architects. I've read their letter. They're also concerned about this. And so in appreciation for them speaking up about this, we're looking forward to working with them in developing those enhanced green building measures.

>> Laurel Prevetti: So we'll be back to the committee in October with our specific recommendations for ordinance changes and policy changes so that we can continue to be aggressive in meeting our green building goals as part of our Green Vision. And so this afternoon was really just a touch-point to let you know what some of that feedback is. I believe you do have some public cards on this item and we're available to answer your questions as well. Thank you.

>> Councilmember Liccardo: Thank you. At the committee's pleasure maybe we'll just take the public comment first. I have one card, but if anyone else would like to speak, please come forward. Gail Price, from the American institute of architects. Thank you for joining us, Gail.

>> Good afternoon. I'm Gail Price, executive director of the American institutes of architects, Santa Clara Valley. We're one of 22 chapters in California and one of 288 chapters throughout the United States. You have received a letter from our organization, and I hope you will consider that during your deliberations. We've appreciated working with your staff. We believe the goal should be to simplify the process for applicants in order to achieve the Greenvision for both the City of San José and as well as the applicants. We support modifications to the private sector green building policy, an ordinance that adopts a mandatory tier 1 or tier 2. We are in favor of tier 2. All new buildings would be required to achieve either tier 1 or tier 2 and Cal Green instead of achieving BIG or LEED certification. We believe that Cal Green simplifies the process for applicants. It does not require membership with rating certifications systems. And it would reduce additional paperwork. Local governments have been encouraged to go beyond Cal green's minimum standards and we support that effort. And as we said we feel that the tier 1 or the tier 2 would be sufficient. We've given examples of what other communities have

been doing to address these important issues. We believe that the voluntary rating system for BIG and LEED need to remain voluntary but encouraged and incentivized. We've also begin some examples such as high density options, faster plan checks and permit discounts recognizing green buildings on the city's Website and tax incentives. Code writing and enforcement in our opinion should remain in the public domain as a basic service of government to ensure transparency. And we do have details of that in our letter. AIA members have tremendous expertise and sustainability, and life cycle cost and environmental impacts. We look forward to continuing to work with you. It's been a pleasure to work with your staff. And we look forward to other opportunities. Don't hesitate to contact us. We will be back throughout this process, and we support your efforts in terms of the Green Vision, for the city of San José and thank you very much.

>> Councilmember Liccardo: Thank you very much, Gail. Would you stay at the mic for just a couple of moments. I feel sure we'll have some questions coming and you might be able to help answer them. Vice Mayor Chirco.

>> Councilmember Chirco: Did you have questions of Gail first?

>> Councilmember Liccardo: Go ahead.

>> Councilmember Chirco: Mine are really to the staff.

>> Councilmember Liccardo: Gail maybe I'll throw mine out and we'll come back to the staff. Okay, I think what's on everyone answer mind when we talk about certification and standards to use is uniformity. The questions I have, is AIA advocating throughout the state that everyone goes to the Cal green tier 1 tier 2 so that we are all in fact all on the same page from one municipality to the other. Is that the consistent position statewide?

>> Yes, I think looking at it from not only the architects', builders' and developers' point of views, on behalf of applicants, I think that would greatly simplify the system. I think one of the challenges all the municipalities and the counties face is sort of this different -- everyone has a slightly different approach.

>> Councilmember Liccardo: Right.

>> And I think uniformity would be a goal, and I think that that would be very helpful.

>> Councilmember Liccardo: Okay. And given from your perspective and I know your office is here downtown but you're I'm sure talking to other members, what you're seeing state wide, are you seeing any trends? I know LEED and BIG have been the standards that folks have been sticking to for good reason. Because they're nationally and globally recognized. But is there a horse that's winning in this race here?

>> Well, I think it depends on who you ask. I think again going back to the issue of the applicant. I think from an applicant's point of view, and what the architecture members of our organization are saying, is for the applicants it is more costly, it's more time-consuming to deal with the outside certification. If there could be rigorous standards in conjunction and complementary to the Cal Green language, then a lot of that work and the review could be done by in-house staff. And recognizing that does require additional training for in-house staff, that's always a challenge for local government. But we think that that would be definitely preferable. I think we're all trying to introduce the best practices wherever we are and whatever we do. But to simplify the process, particularly in an environment right now during this particular economic environment, we want to be promoting outcomes that are sustainable and green, and that are manageable. We think this is a way to do it.

>> Councilmember Liccardo: Thanks, Gail. Thanks for allowing me to jump in front there.

>> Councilmember Chirco: Sure, no problem.

>> Councilmember Liccardo: Thank you.

>> Councilmember Chirco: I had some questions. I know Laurel Planning, Building, and Code Enforcement have been working regionally trying to get consistent standards. And where is that process at? Because the

department's been working on that for quite a while. And is this a step back as far as standards, or is this -- so I -- can you kind of help me understand where the state is headed, versus where we're at, is my first question.

>> Laurel Prevetti: Okay. So where the state is headed is with the Cal green building code, as Katherine explained, is coming online January 1st. Cities have the option of adopting additional tiers of requirements. Mayor Price mentioned that we're looking at -- Councilmember Price mentioned that we're looking at possibly doing tier 2, that was her recommendation, coming from the AIA. We are looking at whether or not perhaps we should create our own approach so that way we create environmental leadership. We have had -- there are a lot of reasons why our green building policy includes the national standards of leadership and energy and environmental design, as well as Build It Green. Those are recognized systems, so we're trying to determine what is the best approach so we can continue to lead. We are in conversation with joint venture Silicon Valley as well as the Santa Clara Association of Cities that are talking about green building to see if there are some ways that we can collaborate and be consistent. And as you know, there is a lot of interest on the part of many of our cities to be very aggressive in green. Some of our cities have more resources than San José. Most of them do not have near the development activity as San José, so our context, we start from a slightly different place. So how we can continue to be leaders in this arena with the staff resources and our mechanisms for how we pay for the services that we do deliver, you know, it's a different balancing equation for us than it might be for other cities. So the conversations are continuing. It's not clear that there's necessarily going to be a consistent approach within the region. We're hopeful that there will be but as I mentioned a lot of our cities are trying to out-green one another and so we'll just have to stay engaged and see where that goes.

>> Paul Krutko: We have had a conversation (inaudible) preparatory for the committee, and the one thing that I've been speaking to all the staff sort of as a -- and all the deputy City Managers are doing this -- we have got to be mindful what we went through in June. Respectfully to the representative of the AIA, we've had significant staffing reductions and we have significant challenges. So what we've been talking about a little bit in this area is, is it wise for us to see what the state puts forward, rather than the staff with all the other priorities that we have, particularly in Planning, Building, and Code Enforcement, to go off and work on something that then is not directly in alignment you know with the state and we have to adjust all that. So we want to continue our leadership in this

area but as Laurel knows that was sort of the admonition that I gave them Tuesday, let's be very careful because we've had a very traumatic experience over the last 60 days here and we need to sort things out and then see when we can reassert our leadership position. But we've got to be mindful of that.

>> Councilmember Chirco: That was my next question, was staff resources. And I'm really reluctant to kind of change direction when there has been resources put toward the work that has been done. And I know that our city has always looked at any state requirements as a floor. And our community and our population are very green-focused and when going through this, that the industry had gone to a lot of the green standards because the market was there. So I don't know that I feel that there is much value in stepping back. I think what has made this area, and especially with all the work we've done with the general plan, kind of the desirable, innovative, attractive community we are is kind of having the reached-for standards. That doesn't mean cutting out business or jobs, but to be in relationship with our developers, with our industries, and with our community. And what make work in Bakersfield isn't going to work here in San José. So I just want to be respectful of the work that's been done, because that's been years in the making. I remember when we started this conversation on LEED and what a fight it was to get to where we are now. I'd like to stay where we are now. There's been resources put into where we are now so thank you very much. I thought -- was there any more answer?

>> I had a little -- I'm sorry.

>> Councilmember Chirco: And then there was another. Because I see Cal green as a floor, not a ceiling. There any penalty for noncompliance with the state? If you have something that's at least the state or better there's no penalty if -- I didn't think so.

>> Absolutely not. No, in fact to address your concerns, as you mentioned Cal green has a baseline and as Gail pointed out that has two tiers and what we foresee doing is pulling measures from those tiers and putting them in a menu. So it would be above the baseline.

>> Councilmember Chirco: Okay, good.

>> But it would be an alternative to going with the third party certification.

>> Councilmember Chirco: And then I know in the memo, just one last comment, it's complimentary to the staff. It talked about the focus group attendees. Also mentioned they value other cities programs were performed - - where informed city staff members served as green building guides and they were grateful for that. So I think the department has done a good job of kind of shepherding people through the process. And that was called out in your stakeholders group so compliments to you. So thank you very much.

>> Thank you.

>> Councilmember Liccardo: Councilmember Herrera.

>> Councilmember Herrera: Thank you, and I appreciate the conversation. I think Vice Mayor's made some excellent points, and also staff and Paul made some excellent points. First I wanted you to go from green, greener and greenest and put this in context. Tier 1 is green, and then is LEED greener and is the other one greenest, or how would you line that up if you had to line it up right now?

>> Cal green does not use a point system. It is a prescriptive --

>> Councilmember Herrera: I'm asking you to take that and put it in my simple thing of green, greener and greenest if you can, just for simplicity. It still isn't clear to me.

>> Laurel Prevetti: We attempted to do that with the attachment.

>> Councilmember Herrera: I saw that, but with the three, if you could just do that. Tier 1, tier 2, I'm thinking it's green.

>> Laurel Prevetti: The challenge is that they're all kind of different factors. They're not directly comparable, unfortunately.

>> Councilmember Herrera: Then that's my answer, okay.

>> Laurel Prevetti: You know, I think nationally, LEED is still really the standard that everyone looks to. So again, with San José's green policy, and our threshold requirements for achieving certain amounts of either Build It Green or LEED certification, that demonstrates a very high level of green. There's certainly overlap with the new requirements coming from the state building code, tier 1 brings -- and tier 2 bring you closer to LEED. But again, there -- unfortunately it is not as easy a comparison. So as we're formulating various recommendations for your consideration in October, we're very mindful of the committee's conversation last May and again this afternoon, of not wanting to take a step backwards. So as we try to do that analysis, where we want to maintain that leadership as well, the choice will be, does San José want to provide an option, in addition to the LEED requirements that we have today.

>> Councilmember Herrera: What about big green? Is that a competing standard with LEED then?

>> Laurel Prevetti: It's really meant for residential projects.

>> Councilmember Herrera: Okay.

>> Laurel Prevetti: So it's a different point system.

>> Councilmember Herrera: Okay, so I guess part of my question I'm just wanting to understand in terms of certification, is there sort of a competition going on of standards or not? Does that exist? No? Irrelevant?

>> Laurel Prevetti: It's hard to say. Because LEED kind of started the ball rolling, as a national level. It was based out of the Chicago area where there is a totally different context in terms of energy codes. They don't have

title 24 in Illinois, whereas California we've been doing energy efficiency for many, many years. So we kind of start from a different place. And as green building has really caught on and as been mentioned, there is market demand. We do find tenants who are interested in being in some sort of green building. So that is really helping the entire green movement. But again we're trying to balance how we continue to be leaders, with also making sure that we don't have requirements that are perceived to be difficult to achieve.

>> Councilmember Herrera: My question was coming from a different place. I come out of high tech and you have all these standards and they compete with each other. That's what I'm trying to understand, is there a consensus or do we have a factor of there's competing standards, or we don't have industry sort of trying make one -- maybe it's irrelevant. That's fine.

>> No, you raise a good question. People have been trying to compare LEED to Build It Green. But even Build It Green and LEED have their own system.

>> Councilmember Herrera: I was just wondering. My other -- I guess my other point is back to the AIA's comment. I think that our green program and everything we're doing in San José is an incredible benefit and I think all of us really see it that way. However I also have to look at everything right now in the context of our economic climate, in terms of what's happened with our own budget. And so I do think that the idea of incenting companies, of providing incentives for people to go on, is a good idea and I think it's something that's captured the imagination of a lot of people in San José because people do care about the environment. But I also think the best way to move forward in these times is to make that incentive based as much as we can and to stay in contact and working with these companies. Again I just said it in the last topic we were talking about because I'm very concerned that we have projects come to San José. That people want to build here that they want to have projects here, that we continue to have a reputation and grow a reputation, because I think we have some issue about our reputation of being friendly, to businesses that want to locate here. So I think we have to consider that in everything we do. To make sure that we're not creating an environment where it's going to want business to go elsewhere, or where it's going to cause -- homeowners I guess are included in this, too, and I've said this before at other discussions, about permitting and building code. I'm aware that there are people now, I hear this talk, that

people are not even going to get permits, they're not even going to come to the city because it's so difficult to deal with us, and it's so costly. So I don't think if we don't really take a hard look at what we do in relationship to homeowners, remodeling, businesses, that we're going to see a portion of this stuff go underground, and we're going to lose revenue, and we're going to create a less safe community where people are doing things not you know within the regulations. Because at some point the scale tips and people decide it's worth it not to go to the city. So I think we need to be factoring that into everything we do including these regulations and look at incentives and really working with our business community out there to listen to what's going on because it's tough out there right now.

>> Laurel Preveti: It looks like Paul wants to add to this but let me start by just saying that we've done quite a bit in our building division in particular to make it very clear that we are open for business, as we were discussing with council last Tuesday. We've added express plan check lines, we've added more express services. We've expanded the special tenant improvement program. So the stories around the time and cost, hopefully those are old stories. Because we've actually retooled to be really ready to perform in a very expeditious manner. So we believe that our service delivery itself can be the incentive. Our ability to reduce taxes is a tradeoff, because then we won't have money for pavement maintenance or other investments that you hear about at this very same committee that we're challenged to provide. So if we do reduce the dollars that means something else isn't being paid for.

>> Paul Krutko: There are examples of other cities who have, you know, you can balance out your budget and reduce someone's taxes by giving them money from another pocket. And some communities have done that. You know, as Laurel said, I don't think we're in that so when we talk about incentives, I mean it really has to be I think as she said in terms of the ease of doing business and how we respond to that. I think the other thing that's interesting that we are going to have to track is the development services team, is we've heard from the big players that the market is demanding from them and they are making investment. The land was even some dialogue about why should you create these standards of things we're doing? Anyway the question though is we have a wide range of building stock. We have many older buildings, many smaller businesses that don't have the same, and I think there's a lot of thought about this, Jeff can probably speak to this, that the biggest place where

we can achieve great results in America is with that older, existing stock on a conservation perspective. So I think as we work on this we're going to have to pay a lot of attention to that. It's one thing when somebody is building a new building in North San José. I mean it's a completely different thing. When at first is going up versus you know other buildings that we have and as you go down that building food chain, it becomes harder and harder to effect change, right? It's going to be more buildings going out of service, right, once we get down to that end, and they're replaced, rather than the retrofitting of it. The other thought, I don't want to monopolize this, but my friends in the east talk about the invested energy in older buildings anyway. When you think about what it takes to fire a brick, to get that cement, to build that building, there's a sense that historic preservation and adaptive reuse are actually some of the best opportunities that we have. So how to encourage more of that is also really important. But we've got a lot of work to do but we have really good people.

>> Councilmember Herrera: Paul your comments are well taken but I sat with somebody today who gave me a story about going through an express process at the city that took many, many weeks and many, many hours and was a horrible process for them. And I need to stop hearing those stories, because those are the stories I'm hearing, and a ridiculous story that I heard and this was with somebody who was in the express lane. So I understand we are trying to make those changes, but I would like to see us make progress where I don't hear so many tales of businesses going through extraordinary difficulty going through the process here. Try to get simple permits that they tell me they can go to Santa Clara and get in an hour and they can go to Milpitas and get in an hour, and they still are going through this onerous process here. I know Joe is making lots of changes right now, but every time we add more regulation and we do more things, I get -- I want to make sure we're staying in touch with our business community, listening to them, and figuring out ways so that we don't discourage businesses coming from here. In spite of our "we're open for business" a lot of businesses are not going to come here and tell you what they tell me, that they don't feel we're open for business. So I -- I'm the voice. I'm trying to tell you that we need to make -- we really need to this, if we want to see more projects come in here. 70% of our business is remodeling. We want to see more projects coming here. I want to see more companies coming here. I want to see more headquarters coming in here. We have to really listen to them and make sure that we're doing things that will keep them coming here and opening up businesses.

>> Laurel Prevetti: Thank you for that comment. I will maybe find a time when we can talk offline so we can better understand that particular customer's experience and follow up directly with you. And we are listening as we were mentioning. This process has been a listening sets of outreach meetings. We went to the chamber last week. We've been with the builders and we're going to continue that as we put together our proposal and bring that to you in October to this committee. Thank you.

>> Thank you.

>> Councilmember Liccardo: Thank you. Okay, so this is a -- we don't need a motion on this one. Okay. We'll move on then, unless there are any comments from members of the public, who would like to speak during open forum, I see nobody jumping to their feet. So this meeting is adjourned. Thank you all.