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San José, transportation and environment committee.

>> Councilmember Liccardo: Call the meeting to order. Madam clerk, may we take roll. [Roll call.]

>> Councilmember Liccardo: We have a quorum. Ed, do you want to take over?

>> Ed Shikada: Sure. Thank you, chair, members of the committee, just to give you a quick overview on the item on the review of work plan. Given that it is a new calendar year, and we are in fact operating without the benefit of an adopted work plan that will be going to the Rules Committee on Wednesday, as it will for all of the other committees, that said, what we had prepared for you in DOT, with the lead, is prepared to proceed with a number of verbal reports. I see he's got some PowerPoint presentations, as well. So that would conclude my report under the work plan.

>> Councilmember Liccardo: Great, we'll move on to consent calendar, and there is nothing on consent. Okay, so we'll move on to reports to the committee. And I believe they're all verbal reports. Hans, thank you for leading us through the regional transportation activities.

>> Hans Larsen: You're welcome. Mr. Chair, members of the committee, happy new year to you. I'm Hans Larsen, acting director of the Department of Transportation. I think we have a unique opportunity here to focus just on issues of transportation. We do have four verbal reports, but there -- almost every one of them there has been an active amount of information that's come out on these topics, high speed rail, the VTA budget, and so the opportunity to have a verbal report is an opportunity to give you up to date current information on each of these important topics. And so we're going to start first with the California high speed rail. And Ben Tripousis is going to assist me with that. As the committee is aware, this is a very active and important project for the State of California, as well as for Silicon Valley and San José. This is a project to build a high-speed bullet train system in California connecting the major urban centers from the Bay Area through the central valley and into Southern California. This would be like the European and Asian systems, where the trains go over 200 miles an hour. The goal is to have a service that goes from Downtown San Jose to downtown L.A. in just over two hours. From a policy perspective, the priority for the system is to build the link from San Francisco to Anaheim as the starter segment. So that would include San Francisco, Gilroy into the central valley, Fresno, Bakersfield, L.A. and Anaheim.

That is the first piece, that's the policy action the high speed rail authority board has established, and the links to San Diego and Sacramento would be part of a later phase. There are some outstanding opportunities to fund the system, first off the voters of California approved approximately \$9 billion dedicated to the California high speed rail system, so we have state matching funds for that, and we're trying to leverage a sizable federal investment. There's \$8 billion that are available as far as the federal recovery act that should be announced in February, how those will get allocated. And the federal government is also committed to providing additional money as part of their annual budget process. But the current budget proposal has \$2.5 billion for this coming year. So there is some real money associated with moving the system forward. We're going to talk a little bit about where we are in the process. The project is moving through the specific project level environmental clearance phase. The project has a program level clearance that's been established already that talks about it in terms of a general corridor perspective. But now we're getting into the details of exactly where it's going to go and what elevation it may take. And that is -- has become a very hot issue within San José, and particularly around the downtown area. And just this exhibit here illustrates some of the alignment options that are in play for the Downtown San Jose area. They -- there are seven of them technically, but it seems that most of the attention is focusing on three different options. And this graphic here shows the Diridon station generally in the upper left corner. You can see the 87-280 freeway routes, so this is primarily to the West and south of downtown. Option 1 is the base case option. This follows the CalTrain corridor. And it would approach the Diridon station in an elevated configuration. Option 2 is one that has been initiated locally from our community, the Gartner neighborhood, and is something we have formally asked them to look at. This is also an elevated option that would run in the 87 and 280 corridor, effectively avoiding having high-speed trains continue to run through the Gartner neighborhood as they do now in the CalTrain corridor. So this is an option to have an alignment that is more sensitive to the neighbors. Option 3 is looking at putting the system underground, essentially straightening the alignment from the south to the north. And it would run through the area in front of the Diridon station with an underground station, not at the Diridon station, but close to it. So that's the one shown in orange. And in the fourth option that's being looked at is, again, a tunnel configuration, that would place the tunnel underneath the existing Diridon station. So where we are in the process is that these are being looked at, in greater detail. There was an effort made by the high speed rail authority in December to limit some of the options to just the two elevated ones, 1 and 2. As you may be aware, there was a lot of concern generated around that from the community. The mayor,

Councilmember Liccardo, be Councilmember Oliverio sent a letter to high speed rail authority requesting further study of the underground options so that we could better address the issues related to that, as well as the elevated, and that has been positively been received by the high speed rail authority so they are essentially taking a little bit of step back and reopening the alternatives analysis to look at these four and others, working more with the community, getting more technical information, answering questions that are out there, and at a later point, then sort of decide if it's appropriate to withdraw some of the options from further review. Some of the key issues that are noted here with the elevated alignments are the impacts to the surrounding neighborhoods, as well as the visual intrusion of an elevated line, with regards to the underground the key issues are the suitability of the soils for an underground alignment and the cost. And one of the challenges we have here is that we've already committed to light rail underground into the Diridon station with the Vasona line. For high speed rail to come underground in this area that would mean it would have to come below those, as well as the creeks and the rivers in the area. It would be essentially deep, more than 100 feet deep and there are different soil characteristics in that area which jack up the project costs. So it has been estimated that the added cost of going underground is in the area of \$2 billion of added costs. Big concerns with that. Clearly where we're in the process is to step back, analyze this further working with the community so everybody's comfortable with the solution.

>> Councilmember Liccardo: Hans, before you move on I think Vice Mayor Chirco had a question.

>> Councilmember Chirco: I had a question. I was at a meeting in the community on the 280-87, and we were told that was off the table.

>> Hans Larsen: Yeah, there is that -- in other parts of San José there have been other alignment options suggested. And there was one that was floated about, why don't we keep it in the 87 corridor and then run it into 85 corridor, and then come down to Monterey highway. And I think this is the one that you may be referring to.

>> In fact, if I may, excuse me, Hans, that was, Councilmember Chirco, I was at the meeting I think you were referring to and it was the 85-87 corridor, nearest I believe Gunderson high and that was eliminated from consideration. The high speed rail authority is no longer considering that as part of their alignment from Diridon South. They are staying to the Monterey corridor which eliminates that as an option. Due in no small part to the community input that they received at that meeting.

>> Councilmember Chirco: Thank you. I wasn't real sure of the fine language, and thank you.

>> Yes, this 87-280 corridor that Hans is referring to is right at the intersection of 280-87, the northern most segment.

>> Councilmember Chirco: Thank you.

>> Hans Larsen: The next slide, I want to just give the committee a little background in terms of the context and process. The city council has adopted a policy position regarding our goals for the Diridon station area and this is part of the arena-Diridon study done probably 5 to 10 years ago, I think it was 2002 that that was adopted. And in that plan, it was identified that for the Diridon station and the convergence of BART and high speed rail at Diridon is we wanted to develop this as an opportunity that was really world-class in terms of the function of transit lines coming together, as well as the architecture and aesthetic component of this. So that has been I think sort of the guiding direction, we continue to move forward on. And I think it's that direction is only been strengthened by some of the other outreach we've done and collaboration recently with harbor university, the urban land institute recently studied this area, and they all identify that this is such a tremendous opportunity for San José and downtown, to have this regional transit hub in the area, and we should take best advantage of it in terms of it working well, and looking good. The other significant policy background is that City of San José has fought hard for the high speed rail alignment to come to the Diridon station, and for San José to be part of the main line service. And that has been accomplished by having high speed rail follow the Pacheco pass corridor as opposed to another option that was looked at in the Altamont corridor. So having this all come together at Diridon has been a strong policy objective of the city in the past, and we think that we've had success with that. Looking at funding, there is, as I mentioned earlier, significant amount of funding available for high speed rail investment. And -- but there is -- we are in a national competition, because since the feds have made moneys available, lots of areas of the country are very interested in building high-speed projects in their communities. California has the kind of distinct advantage that we've been planning our system longer than anybody else has. And so we're very much focused on trying to capture those dollars. And in August, the city council approved a high speed rail, Bay Area high speed rail investment strategy that set goals to try to get early investment for high speed rail in the segment between San Francisco and San José, and try to complete that by the year 2017. And that's primarily looking at capturing a big share of

the federal stimulus dollars. Overall, the goal of the high speed rail authority board is to complete the starter segment from San Francisco to Anaheim by 2020. And so very aggressive goals in terms of moving this forward. So as I mentioned, where we are in terms of a process, we're doing the formal environmental clearance. The alternatives alignment process has been reset from previously they were looking to conclude it in December. They've added three more, four more months to the process, at least until March, until there's more information available on the options. And then the formal draft environmental process is planned to be complete with the release of the draft environmental document in December or January later this year and then a year after that get final clearance for the project. There's a couple of significant meetings this week that hopefully got notice about, tomorrow night at Roosevelt community center, the high speed rail authority is hosting an open housework shop to provide an update of where we -- where the project is in the San José -- the Diridon South project. And then on Thursday night, there's a meeting that high speed rail authority is hosting on context sensitive design solutions, and this is getting after how is the project going to look and interface with the surrounding community. It's probably that second meeting on Thursday, is one that's going to be a little bit more interactive with the community dealing with the alternatives and the key issues and outstanding questions that the community has. One last -- let's see, I've got a couple more. On some of the key issues I mentioned are the technical issues related to soils, and this graphic shows some of the distinctions that we have in the soil conditions in San José. And there's really three different ways you can build an underground system. The first one on the left is, you can -- a shallow cut and cover, which is allow the light rail system was built with Vasona. The middle one is a board tunnel with cut and cover stations and that's how the BART system is being build. And in order for high speed rail to get below those, it has to go at a deeper level, which has rocky soil condition and also has a larger station. And so this kind of illustrates some of the challenges with building something at a deeper level. Technically it's possible, but there's certainly some added expenses to doing that. So more information on this will be coming out as part of the workshop process with the community. The other thing I wanted to just touch on is, the opportunity to build an iconic station. And there are -- a set of options are to build the high speed rail elevated. And this is an example of an elevated train station in Lisbon, Portugal where the height of the system and the overhead canopy was used to create a really iconic image for the community. So it is possible to make elevated systems look well, certainly have a significant investment in doing that. But the notion of that high speed rail elevated needs to be ugly, certainly there are ways to make it look attractive and iconic. And I think as part of the process that we go through, it's looking at the different ways that this can be treated. The last thing I just want to mention is that because we are in a little bit of a different process than what we expected, we were going to come back to this committee with staff recommendations on the city policy position on high speed rail alignments in the downtown as part of the February meeting. But because of the high speed rail authority is going to do more work with the community and get more technical information through March, we'll probably re-set that likely to the April meeting. But I think we'll play it by ear. But as soon as the information is available we want to run through the committee and council the city's official position on the alignment alternatives that are going to be studied further with the project. So just make a note of that. So that concludes the presentation. Be happy to take any questions.

>> Councilmember Liccardo: Great, thank you, Hans. Any questions? Vice Mayor.

>> Councilmember Chirco: You mentioned there's a second meeting on Thursday.

>> Yes.

>> Councilmember Chirco: What time, and where? Because you said --

>> At 6:00 at Bellarmine high school.

>> Councilmember Chirco: You said the one on Tuesday was at Roosevelt community center. Is that also at six?

>> Yes, that's at six.

>> Councilmember Chirco: Thank you.

>> Councilmember Herrera: Yes, thank you for the report. It's a very exciting project and I was able to hear about some of the options for design that harbor did when I was back on the trip to Boston with the chamber. Some of them are pretty daring, but they would really create something that would be iconic here so I hope we're able to look at those. You said you're probably going to come back in April to this committee first and then council. I just want a clarification of that.

>> Hans Larsen: Yeah, that is our intention at this point. If there is a need for the city to weigh in in terms of the direction of the project, particularly the design and alignment options that are being looked at, anywhere in San José but particularly around the downtown area, we think that we want to provide to the

high speed rail authority, their policy board, a clear policy direction from the San José city council. So we would propose to run that first through committee, and then take it to the council.

>> Councilmember Herrera: So it would be alignment alternatives other than just downtown, or are you saying you'll be just focused on the downtown alignment alternatives?

>> Hans Larsen: Well, essentially really the only place in the corridor where there are options that are significant, I think for the rest of San José, it's been pretty well defined, and I think accepted by the community, that the Monterey highway corridor through South San José is really the best and only place, as Judy Chirco brought up. There was some early interest in why don't you just run it down 87 and 85, and that was looked at and found to not be viable, nor was it even supported by the community. Because to make the bend between 87 South and 85, because of the radius of the high speed rail train, it was -- essentially had to cut through Gunderson high school to be able to make that turn. So that raises a lot of eyebrows appropriately so and that one has since been withdrawn. And we haven't heard anybody who is concerned with that, no longer being studied. So really, all of the alignment options are focused around the downtown area.

>> Councilmember Herrera: So that will be the main kind of focus of coming back in April.

>> Hans Larsen: Yes.

>> Councilmember Herrera: And the meetings you described are the meetings that that will be discussed prior to April?

>> Hans Larsen: I would suspect there would be at least two more meetings after the ones this week.

>> Councilmember Herrera: Okay.

>> Hans Larsen: Before aapril. The other things to note is that this has been a topic of interest with the Diridon area good neighbor committee. They had one presentation on this, and I think it's going to be coming back in February to them.

>> Councilmember Herrera: Thank you.

>> Councilmember Liccardo: There was a decided lack of enthusiasm for the Diridon good neighbor committee for the options, okay. Any other questions? I just had a couple of questions about the timing. My understanding the high speed rail board will be presenting the final alternatives for EIR study in March, doesn't that mean we would want to make a decision as a city before that board meeting in March?

>> Hans Larsen: Yeah -- I think it will depend -- I mean the first step in that process is the high speed rail authority staff having done their outreach, address the questions, and producing a current alternatives alignment report with their recommendations in it.

>> Councilmember Liccardo: Right.

>> Hans Larsen: Until we see where they're headed and what the information is that's what we would be responding to in terms of taking a position.

>> Councilmember Liccardo: Do we have a sense between about how much time we would have between the release of that document and the time when the authority board would be making its decision about where it's going forward with the draft EIR?

>> Hans Larsen: Well, we have made the authority aware of, you know, our need to weigh in on this process, and so I think we generally should be given about a month to be able to --

>> Councilmember Liccardo: Okay.

>> Hans Larsen: -- interpret their information, have our meetings with the committee and council. It could -- if time was really of the essence, and we needed to fast-track this, certainly the, I guess the fall-back option would be to take something directly to council.

>> Councilmember Liccardo: Right.

>> Hans Larsen: And not go through the committee process. Maybe with this background maybe the committee's comfortable in just having us take it to council as soon as that's ready. But I think normally, on issues like this, we generally like to work them through the committee first, and then have you take a recommendation and forward that to council.

>> And to your point, Mr. Chair, according to high speed rail staff, there is no hard and fast time line in terms of the time between the draft or rather the release of the draft alternatives analysis and any adoption of a preferred alternative going forward.

>> Councilmember Liccardo: Okay.

>> We have some flexibility in terms of ongoing comment. And they're very as you know, very interested in addressing the community's concerns and have offered us and afforded us a fair amount of leeway in

terms of providing input, working with them, ensuring that all of the community's questions have been answered, allowing us to go forward.

>> Councilmember Liccardo: Great, thanks Ben. And then finally, I know that we're in the middle of a process, I guess throughout the very beginning of process to reauthorize the federal safety LU process for transportation funding. Do we have any sense about the anticipated ongoing federal funding might be for this program? I know you identified certainly the ARRA money, and the additional \$5 billion. Do we expect that every year there's going to be something coming from Washington between now and 2020 that we might be eligible for?

>> Hans Larsen: There's two things in terms of early hints in terms of where the federal government is at in terms of investment in high speed rail. The initial new federal trainings bill, which it typically is a six-year bill and has major exam funds in it. The first draft of that bill, correct me if I'm wrong Ben, had \$50 billion in it for high speed rail investment. So that's a substantial amount of funding. And then in addition to that, the Obama administration had committed to a billion dollars of money on an annual basis through their regular budget process. Now they've -- they initially said we'll put in an extra billion and their budget for the coming year has \$2.5 billion in it. So the signs are very positive in terms of the making a substantial investment in this kind of technology, you know, across the country and again, California is in the leading position given the readiness of our project. And so we hope we're able to capitalize on that.

>> Councilmember Liccardo: Great, thanks Hans. Okay, unless there's some comment from the public, I don't have any cards at this time. We'll move on to report on VTA budget and transit service impacts.

>> Okay. Great. Thank you, Mr. Chair, members, Ben Tripousis, Department of Transportation. And as chair Liccardo and Councilmember Herrera are all too familiar as a result of their work on the VTA board, the -- and as was evidenced by the headlines in this morning's Mercury News, the valley transportation authority has some significant budget issues facing them, specifically they're looking at a \$98 million shortfall over the next two years. That's due in no small part to the fact that actual sales tax revenues for the last two quarters of 2009 were \$22 million below their budget projections, having hopefully reversible but certainly significant impact on the operations of their system. VTA's established three guiding principles in terms of going forward and trying to fill this budget gap. They're seeking to minimize service reductions and that's evidenced by today's implementation of an 8% service cut. That effective today, it translates to a 7% weekday service cut, 10% service cut on Saturdays and a 14% service cut on Sundays. As they did as part of their comprehensive operations analysis, wherever possible, VTA has tried to initiate reductions on routes that are underutilized where they have the lowest ridership and tried to ensure that where their greatest service demands on the line 22 and 522 lines are held harmless and continue in full operation because those are among the most vigorous lines. They've tried to focus those service reductions on the most least utilized routes. They want to work to maintain an investment in critical infrastructure, like BART, like continued CalTrain operation, expansion of bus rapid transit, and looking to the future, I know Councilmember Liccardo has chaired certainly looking in that direction to ensure we continue to fund our future investments as the economy turns we're able to focus on providing continued service to the community. And lastly they want to attempt to preserve jobs to the greatest extent possible. They're also proceeding with the purchase of 70 hybrid bus vehicles using federal stimulus funds, roughly \$47 million they received in stimulus dollars. They're able to and are going to allocate 10% of those stimulus funds to VTA to try and address the VTA operating shortfall. They also reduce their FY '10-FY '11 budget appropriation by \$15 million to try and address the gap. They are moving forward to seek 40 million in cost savings over the next two years through continued cost containment efforts, hardening hiring freezes, reducing contracted services wherever possible and rescheduling purchase of their bus rapid transit vehicles to 2012 to try and reduce the immediate impact. The overall reductions in service that they're implementing effective today will result in roughly a 6.4, excuse me, million dollar savings and roughly a 2.4% loss in ridership. Finally in an attempt to address these shortfalls in some long term meaningful way the board has formed the ad hoc fiscal recovery committee, and has appointed supervisor Don Gage as chair, Councilmember Herrera and come Margaret Abeghoga from the city of Mountain View to serve on this fiscal committee and it's going to be supported by an 11 member stakeholder panel representing everyone from business and labor and various stakeholder organizations to attempt to achieve some level of long term financial stability and advise the VTA board accordingly. They're going to work immediately and expect to be doing that work over the course of this year to put together solutions that they can come to the board with and the board can ultimately adopt. That's the situation as we know it and I'd be happy to answer any questions.

>> Councilmember Liccardo: Thanks Ben. Any questions? Nora?

>> Councilmember Campos: Thank you, chair. You mentioned that the bus rapid transit purchase would happen in 2012?

>> They deferred the larger purchase to 2012.

>> Councilmember Campos: But that doesn't have anything to do with the construction moving forward?

>> No, no.

>> Councilmember Campos: Two different --

>> It's unrelated to the planning of the line itself, planning particularly of the downtown east valley corridor continues to go forward.

>> Councilmember Campos: Opening would still be on time?

>> Every indication is that's still the case, yes.

>> Councilmember Campos: Okay, thank you. And then I think the -- I think you answered my question about the ad hoc, who would be -- what would be the makeup of that. So I think it would be helpful that once you have -- they've selected who the representative is, if you would just forward that information to this committee that would be helpful so we would know who the players are.

>> We'd be happy to do that.

>> Councilmember Campos: Thank you.

>> Mayor Reed: Vice Mayor Chirco.

>> Councilmember Chirco: I just had a question regarding the article that was in the paper. One of the things they covered was the cost and I know two of the councilmembers are on the VTA. Because they quote some people that talked about the cost, you know because they've had to increase their fares because of the shortfall. How much of a percentage of loss do they think they're -- because you mentioned a 2 point something reduction in ridership and I was wondering if that factors in those that might go back to driving because of the reduction in number of routes and now it takes two hours to get somewhere that maybe they can drive in, the paper said 11 to 15 minutes, or it's cheaper for them to drive than it is to take transit.

>> Right. I believe the mercury, I think it was Gary Richards last week did a comparative analysis between driving and taking transit. And in all but one case it was still less expensive to take transit. But we've not seen specific percentage ridership loss numbers as a result of beyond the 2.4% of the initial cut. The ridership most recently got a boost from the high gas prices last year. There's clearly a cause and effect between the cost of driving versus the cost of transit. And pricing pushes people to use other forms of travel to get to and from where they need to go. There's -- to answer your question, there's no clear link at this point between the initial cut or ongoing cuts. And the ongoing loss of ridership as the economy turns, the hope is and certainly VTA's expectation is that riders will begin to return to the system, not just to VTA but to CalTrain and other transit. But it brings to light the importance of ongoing certainly state investment in transit, in order to help these local systems weather this hopefully near term storm, that if the State of California continues to proceed as the governor suggested in his state of the state and essentially eliminate all state transit funding, it would put VTA and other properties in a very difficult position to -- able to just get through this short-term significant loss.

>> Councilmember Chirco: Thank you.

>> Hans Larsen: Mr. Chair, if I might add just a few more comments. I think the cost information that was in the Mercury News really looks at what is the cost in terms of the bus fare that you need to pay versus -- and the operating costs of a car. So if you're -- the fuel price, bridge tolls, parking, some allocation for wear and tear, but what it doesn't include is just the cost of owning a car, period. The purchase price of paying for insurance and so if somebody already has a car and they're making a choice, well, do I drive today or take transit, well as transit becomes more expensive, because they need to increase the cost to their fares, that choice becomes maybe a little more difficult. But certainly for somebody who doesn't have a car, who doesn't want to have a car, there are a lot more costs associated with driving, if you need to purchase one, and pay for the insurance. So that wasn't -- the little bit of the apples and oranges comparison, that looks at just pure operating cost. The other serious issue is the governor's proposal to basically eliminate state funding for transit essentially taking prop 42 moneys that goes to transit, moving them around with different sources is a very serious issue as well, that we need to monitor closely, and advocate for our interests. From just the larger perspective, in working with the City's general plan and look how the city needs to develop, you know, over the next 30 years, the direction that we're headed is that we want to focus future growth in San José around our transit corridors. Whether it's the Bart system, light rail system, bus rapid transit, and so this is a very important issue for San José, that we have a

transit infrastructure that we can put in place, and that has a sustainable source of operating funds. So I just wanted to kind of add that context of, you know, why the VTA's current budget issues as well as threats from the state are very important for the city to monitor.

>> Councilmember Chirco: And then there's the overlay of the additional complication of people who can't afford a car with the reduction in routes. And I know that Sam and Rose are keenly aware of this as is Nora that it makes it more challenging. But that's just the nature of what we do, deal with now. Thank you very much.

>> Councilmember Liccardo: I think maybe one other point to make, in terms of context, when you talk about ridership, when you look at yesterday's article, what I think was largely missed was the fact that ridership is driven very strongly by employment. And, you know, at VTA we had been talking and anticipating significant drops in ridership because of job loss. And, you know, the first fired, and the first hired or the last hired I should say in any kind of economic recession and recovery are inevitably people who are transit dependent. So I think there was an expectation that there was going to be a real drop in ridership. And the suggestion I think at least in yesterday's article, it wasn't Gary Richards, it was another writer, as I recall, it was somehow or another, this was all driven by fares. And I think there is a much larger force applying here. So I think that was important context, as well. Councilmember Herrera.

>> Councilmember Herrera: Thank you, Chair. I just wanted to mention one thing on the stakeholder groups for this ad hoc fiscal recovery committee which I'm vice chair, didn't ask for it but glad to step up and help. One thing we were able to do is add some additional input from some of the labor groups that were going to be represented by one representative. SEIU asked me and I'm -- cannot remember the acronym of the engineers and architects but there was another group. They were going to have one representative for all three. They came to us and requested that they be represented individually. So because this is not a voting group, the ad hoc group that is going to be meeting with us but simply giving us input we felt it was important to include the representation from all those groups. I think the point was made also since we have contractual obligation with them, it's important to have their input. So we supported that, and it wasn't a unanimous vote, but I supported it, we supported that to make sure they had input in the committee. So I think that is a good way to start off, working with the groups. Because I do want to say one really positive thing in the labor groups, in the last go-round we were working on this, is they stepped up and really worked with us. So we're hoping that they'll have some good ideas and that having them on board right at the beginning is going to make it a little bit easier to work through some these issues. And I wanted someone to comment on this proposal by the governor in terms of the gas tax. Because we talked about it at the meeting, and there was some explanation about the different kinds of revenue that are generated for the gas tax, it's sales tax based and there's another form of the gas tax as well and that the strategy was to avoid paying back, to basically have -- to have state of California be able to keep this money and avoid paying back since they lost the lawsuit. Could you guys comment on that and what attempts or what strategy do we have as a city, league of cities or whatever kind of strategy going forward, are we going to take in terms of stopping this or making sure we do get that money?

>> Hans Larsen: Okay, let me take a crack at trying to understand this, or explain it. What has been proposed -- the voters of California approved prop 42. And that is a dedication of the sales tax on gasoline purchases, has to be dedicated for transportation. And that money is split between an allocation to transit operators, so VTA gets a share, the state gets money, which they primarily use for operations and maintenance activities on their freeway system. The county gets money for pavement maintenance on county roads, and cities get money out of that allocation. So it's split between cities, counties, state and transit agencies. So voters approved that. There's been efforts from the state to raid that or take it, borrow from it, pay back, and both the courts and the voters have strengthened prop 42 in terms of keeping it dedicated to transportation and going to those sources. So what has been proposed, rather than to try to raid it, is essentially to just eliminate it. That there is no sales tax on gasoline. And the governor's proposal would essentially restore funding to some of the stakeholders by increasing the gas tax, I think it's 9 cents.

>> 10 cents.

>> Hans Larsen: 9 or 10 cents. It's been pitched as revenue neutral. As being well, you're getting transportation money from prop 42, eliminating the sales tax, there are there's no prop 42 provisions that kick in but we'll increase the gas tax and make it revenue neutral for cities, counties and the state, but not to transit operators. And so it's viewed as kind of an end-around on just sort of the legal issues associated with trying to grab prop 42. So definitely a big issue in terms of transit operators, which is concern to VTA, MTC, and City of San José. The other thing that concerns us even as we get money for local road

maintenance, is that as essentially while it's being pitched as revenue-neutral today, it's essentially changing out and escalating funding source with a declining funding source. So in the long run, we would be losing, as well, because the sales tax, assuming gas tax goes up or gas prices go up, the sales tax is a percentage of a generally increasing base. Whereas, fuel taxes are -- it would be a flat fuel tax so there's no inflation and fuel taxes are generally going down. Because people are more and more and for good reason, driving less, riding bike, walking, taking transit. They're getting higher mileage vehicles so that they burn less gas, or they're shifting to alternative fuel vehicles like electric cars. So we're seeing the gas tax is, over time, a declining source. So that's the other concern we'd have even on the road side, is that we're changing an escalating source with a declining source. So in terms of --

>> I'm sorry, Hans, I was just going to point out, the net effect of the governor's proposal is a \$976 million loss to transportation overall, even though we're shifting a little over 10 cents to the excise tax it is an almost billion-dollar loss along with the complete elimination of transit funding.

>> Hans Larsen: In terms of what we do, I don't think this is a good proposal in terms of the city's interests. Certainly in the context of, you know, investing more in transit and transit oriented development and being a sustainable community, and as we'll talk in one of our other reports, and we really need more investment in terms of taking care of our existing transportation infrastructure and pavement, so this is not good from a number of perspectives, and I think at least from the staff level I think this is something that we would strongly, you know, advocate against this kind of direction.

>> Councilmember Herrera: So are we going to be taking a position? Or I guess my concern is are some cities supporting this because are they trying to appeal to cities saying we'll have some defined money for you in the gas tax? Are they trying to divide and conquer this way or --

>> Hans Larsen: I think there's a sense politically to try to say this is revenue neutral for cities, counties and for stay highway interests and you know it's really -- then kind of saying it's no problem, we'll take care of you, but transit ends up being the loser. But I think as the cities and counties understand this better, this is a loss, really, for everybody.

>> Councilmember Herrera: So I think it would be important then for the city to take an opposing position in any way we can. And I know that I'm now on a state transportation committee, I'll be meeting with league of cities. So we'll look forward to working with you all on --

>> Hans Larsen: I think in terms of process, you know we work it through the City's office of Intergovernmental Relations, and I'm sure Roxann Miller, he saw an e-mail message from her yesterday or today indicating some analysis on the state budget proposal. So we'll be watching this closely and as we need to take formal action on it we'll work through that process.

>> Councilmember Herrera: Okay, thank you.

>> Councilmember Liccardo: Okay, great. Unless there are other questions or comments, I have no cards from the public. This is the time for public comment. I saw Terry raising her hands.

>> Pardon me.

>> Councilmember Liccardo: Oh, okay. Is that on this item or another item? Open forum?

>> High speed rail.

>> Councilmember Liccardo: We'll come back to you on open forum. We'll move on to C, report on airport transit connection project.

>> Hans Larsen: Okay. This is I think one of our more interesting projects. San José's efforts to build a transit connection from our new airport, which will open up later this year, the new terminal, and connecting that with the regional transit systems, CalTrain, light rail and future BART. We're taking a very innovative direction in terms of the scope of this project, in fact this was the topic in which San José was invited to present at a sustainable transportation conference in Sweden. And I had the pleasure to go to that conference, and talk to them about our thinking here. So what we wanted to do here today was share with the committee a little update in terms of where we're at with this project. I know it's been an item that has come to this committee in the past. A little bit of background is that the voters approved as part of measure A when they approved it in 2000, there's a line item in there that we want a transit connection to our airport from our regional systems, light rail, BART and CalTrain. And you can see the airport in the middle, light rail is on first street, in yellow at the bottom, orange is the CalTrain alignment, as well as where BART will come. The original concept for this is to build a traditional automated people mover system like what San Francisco has, and other airports, fairly large cars that would shuttle people back and forth. And the idea is that there would be a station at CalTrain and BART, one station at what would be terminal B and one station at light rail. And to use that using traditional infrastructure and technology would cost about \$500 million. And with just access to three stations. So this project got a lot of scrutiny in

terms of the cost effectiveness of it, and we were approached, really initiated by the City's approval of the Green Vision, by others who were involved with a new kind of automated transit technology, called personal rapid transit, or POD cars, or automated transit network. And through those discussions we learned about the viability of this technology and how it's being developed in other parts of the world. And we have formulated a concept of building a system which would cost significantly less in terms of capital cost that could have an incredible amount of added service, in that you could not only connect the transit systems to the airport, but you could also link together multiple locations in the airport, rental car returns, long term parking as well as tie in business centers and hotels into a larger network. And so that's -- this is -- haven't decided what the project is. But this is sort of the concept of where you could link up. And we even have there the new earthquake, soccer stadium is one of the potential ideas. Little bit about just what is automated transit networks. Rather than having a large transit vehicle that accommodation by every five minutes or so, it's a customized direct service where you have these small vehicles, four to six people, more standing, it is completely computer controlled so there's no driver. It doesn't have any scheduled stops, that the cars are waiting for you at the station. You press a button, the doors open, and you tell it directly where you want to go. And it can move through a network, and it can switch to where you want to go, and it takes you there directly. So there's a travel time savings and a convenience so that it's not part of a scheduled service, it's really a custom service. And because the vehicles are small, if infrastructure that's needed to support it -- the infrastructure that's needed to support it is less expensive to build and to operate. Just a little bit about the status of our project is that we have, as part of I think it was initiated by the Mayor's Budget Message. We've been given money to invest in continuing to explore this direction. And because of that, we've generated attention in national newspapers about San José's leadership in this new technology. As I mentioned, we're invited to speak at an international pod car conference. And one of the outcomes of going there and sharing what we're doing is that the conference next year's proposed to come to San José. And we're meeting with the leaders of the conference, later this month, to talk about the logistics of doing that. So from an economic development benefit, hopefully room nights and flights and other things that we can bring here to San José and also just promote our message and our great community to the rest of the world on what we're trying to do here. One of the things that I learned at the k is that there are what I term sort of the five big projects in the world. And we're including ourselves on that list. But there are four projects that are out in front in terms of deploying this technology. Two projects will be in service later this year. The first one is a system that London's Heathrow airport, that's been built, it's in testing now and it will open up scheduled for spring of 2010. It connects a park being tax with a new terminal at Heathrow. The second project is in the Middle East, in Mavdar City in Abu Dhabi, and they are building a carless sustainable community where this form, the pod cars PRT is the primary form of transit within this new community. They've got a regional rail line that comes in there with the station, and then people can walk or take pod cars to circulate around this new city. The third project is at a national park in Songnisan, South Korea, where they want to eliminate cars from the national park and have people drive to a parking structure outside of the park and then take a pod car system into the national park to various points of interest that people want to go. And so you can maybe imagine, you know, something like this in Yosemite or something, I think this has been thought of you know for decades. On the Swedish national government is sponsoring building a project in Sweden and they're going through a process in selecting the most viable location in Sweden where they want to make this investment. And they're planning to have their project up and running by 2014. And so what our goal has been in San José is, while in Europe and Asia they're moving forward, we'd like to establish ourselves as the American leader in this new technology and using the project around the airport as the key project. It's noted that there are other states in the United States, and locations that have picked up on this technology, and are actively trying to seek to have their location as being the center of a potentially new transportation industry in the United States. And so some of the other areas that are vying to be first in the nation are state of Minnesota, New Jersey, both of them have done some detailed studies about the viability of the industry. And then also, Ithaca, New York is active in this area as well. I think we have one more slide. So in terms of the time line, in partnership, both with VTA and the airport, we have funds from the VTA to continue this investment. We are bringing on board a consultant team with expertise in this area, both systems engineering and transportation planning on innovative transportation solutions, so we'll be supported by a team of experts to help us do this work. We expect to have agreements with our consultant teams to come to council in March. So October is the proposed pod car conference so we'll keep you posted on how that develops. Ultimately what our goal is to have our consultant team help put together an RFP that we can put out to what's the international pod

car industry, and to do a public-private partnership where we would bring on somebody who could actually finance, plan, design, build, operate, and maintain, a system around our airport. So we're looking at who is most suited to help us with our project, and to help us ultimately with the financing and delivery. So it's almost like a turnkey project, similar to some of the work the airport has done, bring on a full-service team and try to make this happen. If everything goes well, we hope to be in construction by 2013. Funding will probably be the biggest constraint in the process. But we have things that we're trying to do to secure funding from particularly federal sources to help us with this innovation and then we hope to have a system up and running by 2015 again if everything goes well. We actually have if there's interest and time from the committee and we have a nice video on pod car systems and simulating and how they can fit into cities. I don't know if you want to see that.

>> Councilmember Liccardo: How long is that video.

>> Hans Larsen: I think it's three or four minutes.

>> Councilmember Liccardo: What's the pleasure of the committee? Okay, let her run. [Music]

>> Councilmember Liccardo: Guest appearance by George jetson.

>> Hans Larsen: Loading on this.

>> Councilmember Liccardo: Don't blink. I'm hearing it.

>> Hans Larsen: Why don't we, since this one's running, I think this is one that -- it's about the project at Heathrow. It doesn't show quite how it would integrate into a city but it gives you a sense of how the system works. Can we enlarge the screen?

>> Councilmember Herrera: Just expand.

>> Councilmember Liccardo: Far right, there you go.

>> Hans Larsen: This is how the vehicles look and this is actually the system that's going to be open in spring at Heathrow airport. So you can see, you can see four people usually and there's room for standing.

>> Councilmember Liccardo: It's a fully electric system?

>> Hans Larsen: It's fully -- there are three different variations of the technology. This one, the vehicles are battery powered. And actually as they're waiting at stations, the batteries recharge while they're sitting waiting.

>> Councilmember Herrera: What's the speed they travel, what's the average speed?

>> They run 25 to 30 miles an hour. Generally sort of a local circulator systems. Because the cars are waiting for you when needed, they go fully to the destination, fully grade separated, so there's no stoppage for traffic, gets you to your destination very quickly.

>> Councilmember Liccardo: Is anyone putting solar on their trek?

>> Hans Larsen: That is one of our proposals that we're interested in alternative energy power systems for these systems.

>> Councilmember Herrera: What's the capacity if we're doing in San José at the airport, do we know what the capacity would be and how would we increase, does it expand out for increasing capacities?

>> Hans Larsen: Yeah, how you design the system, most of the capacity constraint is that you're loading and unloading at the station. So it's a matter of how many loading bays that you develop. One of the unique parts about the system is that the stations are off the main line. And so the cars -- the circulation of the vehicles in the system doesn't get held up by people loading and unloading. So you kind of go to an offramp to where the stations are and load and unload independently. so that gives you a little flavor of what they look like and how they work.

>> Councilmember Campos: Where is this technology being developed?

>> Hans Larsen: So there -- that's a good question. The system -- the Heathrow system, it's a British technology. The project in the Middle East, Masdar city, the vendor there is based in the Netherlands. And then the project in Korea is a Swedish technology. So there are -- it's very much European-based at this point but with different countries in the market.

>> Councilmember Herrera: I had one more. Is it running anywhere right now?

>> Hans Larsen: Well, they have one -- when I was in Sweden there's a test track that is up and running so there's a test track in Sweden. There's a test track in the United Kingdom. I think there are a few other test tracks, Laura, around the world. I think Poland. There's a firm based in Poland that has a test track. I think one of the exciting -- there is a Southern California based firm, skytrans that has a partnership with NASA Aames to build a test facility right here in Silicon Valley. And so there are one of -- I think we've assessed 17 vendors around the world. So there are a few California based companies that are getting into this technology, as well. But clearly, Europe, Europe is the leader at this point.

>> Councilmember Liccardo: Great. Any other questions? I just had one, and I hate to put a damp rag on this whole thing. But a quick question about the quarter billion dollars we just spent on a parking garage. My understanding is the financing for that is going to be driven and I know we've talked about this before but it's going to be really driven by rental car charges as well as parking charges if I'm not mistaken. Have we done any analysis to understand that we might be undercutting our ability to finance those bonds in the long run?

>> Hans Larsen: That has been a topic of discussion with airport staff, and yeah, they are reliant of people parking and driving to the airport and using rental cars. As we look into this further, I mean, that's sort of part of the financial analysis that we're doing. And interesting thing though, kind of along those lines is that we're looking in the planning for the Diridon station area and particularly with high speed rail coming in there, there isn't going to be a demand for the high speed rail for people who want long term parking, and people who want rental car services. And so we're looking at the -- because we have an airport that's so close to downtown, that there is perhaps an expanded market for airport parking, airport rental car facilities, to also serve the Diridon station area. So there's some opportunities there. And ultimately, you might envision, you know, this kind of system shuttling people between the airport and the Diridon station as part of a larger vision.

>> Councilmember Liccardo: Sure, that's fine, okay, well thank you very much, Hans. Okay, I have no cards from the public. It is time for public comment. So with that we'll move on, thank you very much for the presentation. And we'll move on to D, report of the California statewide local streets and roads needs assessment report.

>> Hans Larsen: Okay. For our fourth report, and I'm going to have Kevin O'Connor go provide the overview of this item. Kevin.

>> Thank you, Hans, good afternoon, members of the committee, Kevin O'Connor, deputy director of transportation. The item on the agenda is the California local streets and roads needs assessment report. Because this is a verbal update we did issue an information memo today to the city council that was signed by the City Manager's office this morning that goes into fairly great detail about the findings and results of the report. So I'll give you kind of a brief overview about that, and then tie in some other information I think we've heard is relevant to this report. One of the major findings of the report is that the state of California overall has a 68 PCI, 68 pavement condition index rating, 68 on the scale of 100, 100 being a brand-new road. So if you could hang on Ben just a brief overview of the report. So the 68 PCI essentially the report indicates that it is a system that is at risk, in designation at risk meaning that it's in a point where rapid deterioration will soon occur and exponential increases in costs for maintenance and repairs are on the horizon. Overall, the state need to return the system into good or better condition over the next ten years is 67, I'm sorry, \$67 billion with current ongoing funding allocation of about \$16 billion state wide, we're at \$51 billion shortfall over the next ten years to keep and return our system into good condition. So looking at this report, as others, it's not anything new that we haven't heard already. There have been many recent reports that on different levels that kind of say the same thing, each spring, early summer, the trip group does a report on statewide and national pavement conditions. Trip is transportation research agency and advocate for pavement funding. We also have the MTC regional pavement conditions survey in their state of the system report that comes out every year and that is being updated right now and is about to come out shortly. And then finally the City of San José in our Department of Transportation does an update to our transportation master plan annually. In 2007, we did a transportation master plan project, and each year about this time we update those numbers. So I'll just briefly run through how all of this is connected and give you kind of an overview of where we're at with pavement. So at a national level, related to the trip report, you can see that San José across the country is rated as the second worst in pavement conditions, with 35% of roads in poor condition. The trip report also indicated that the San José urban area, which is primarily made up in the report of freeways expressways and about 20% of the streets in the City of San José, maintained by the City of San José, are the second worst in the nation tied for second worst in the nation behind Los Angeles. Again, this is an annual report that comes out about yearly summertime time frame.

>> Hans Larsen: I think the table to the left showed California, overall second worst state in the nation. And then the one on the right, within -- of metro areas within the country, that the San José metro area is second worst in the nation but I think to note of the top five worst urban areas in the country, four of the top five are within California. L.A., San José, San Francisco, Oakland, and then Concord is essentially the Contra Costa county area. So we are, I guess we're in a bad state, and we've got a lot of

company, in terms of areas that are in bad condition. But of he concern is that we're among the worst in terms of the urban areas.

>> So looking at the county level, across the state, Santa Clara County, and this is information from the recent report, completed by the league of California cities, Santa Clara County is about in the middle, a little bit higher than the middle of the road, if you will. With a 70 PCI rating. And again, this is consistent with I think, let me restate, two important things to take from that 70 rating. One is that it is in that area of at risk, where we are going to see rapid deterioration in the future with higher cost for maintenance and repair down the road. The second important issue is if we switch to the next slide, Ben, is that San José is really dragging down the county's rating of 70 PCI. Our average PCI rating is 64. We are the lowest, San José is the lowest in the county for pavement conditions. This information, as you know, has been reported consistently to the council. The council's aware of it. We have about 400 miles of streets in poor condition. We have about a \$250 million deferred maintenance backlog for street maintenance and we have an ongoing funding shortfall of about \$22 million per year to keep our system in good condition. So the news coming out of the statewide report that you have an information memo on is very consistent with what we've been seeing in other recent reports. And with that I'll pass it back to Hans, he has some comments on funding opportunities.

>> Hans Larsen: Yeah, let me just before we go to that then, if we go to the other slide, what Kevin talked, at-risk, if you have a pavement condition rating between, I think it's 60 and 80, you're kind of at risk. That means that your system is declining. And it's going to cost more money to be able to bring your streets into a good condition. If you get lower than 60, you're seeing rapid decline. And orders of magnitudes of higher cost to fix your streets. Ideally, what's recommended is that you keep your streets in a condition of 80 PCI or better. And at that level, that your pavement costs relatively low. It's almost like changing the oil in your car. You do it regularly, it doesn't cost that much and you extend the life of your investment. Very few cities are meeting that. There are other cities within Santa Clara County are doing a better job. We are though in a state that is really way behind in terms of its level of commitment and investment in taking care of its pavement infrastructure. The news at the federal level on the studies, the local level and the state level is not good but I mean it's something that's been talked about and I think the purpose of the league of California cities report is to just raise more attention to this issue, and the fact, you know, we are, you know, approaching a crisis or in a crisis in terms of investing in our infrastructure. And it's only going to cost us more. So the purpose is not to scare everybody but it is to try to create a focus, in terms of how we solve this problem. And there are a number of proposals out there. But admittedly, it's difficult to get for the community and political support for increasing the investment that we have in maintaining our infrastructure. So some of the things that have been talked about, we've talked with this committee, is advocacy for a gas tax increase, advocacy for vehicle registration fee increases, I mean, these are generally user fees. And I think there is a prevalent view that the users and the beneficiaries of the system should pay really the real cost of being able to have the system and have it in good condition. Within San José, you know, we've raised proposals about a pavement user fee, and this would be more of a local tax measure, in that probably be tied to property tax. That you could craft that people own property in San José, get the benefit of having well maintained street infrastructure, but it's going to cost to be able to do that. One of the things that's being done as part of the survey work that the City Manager's office is doing as part of the City's budget challenge is getting input from the community around different city outcomes. Safe city, green city, vital, vibrant economy, and one of the five categories is reliable, well maintained infrastructure. So we'd be able to, fairly soon, get a sense from San José community, on the kind of -- the level of importance that taking care of our infrastructure and transportation infrastructure has. So we look forward to seeing the results of that, and if there's kind of a will to make investments in these areas. The other thing to note, that's interesting in the league of California cities report, is how much would it cost to actually solve this problem for California, for cities and counties? And they've assessed that, given the level of deterioration that's occurred, it would take a gas tax increase of 38 cents to be able to fix this. It is somewhat of a one-time cost and once the system's been improved, it would be substantially less than that. I don't have the number, to the able to sustain it in a good condition. So what we have is really a fairly big, and Kevin said it was \$67 billion need, within California to be able to kind of deal with the issue that we have now. I think, you know, one of the advantages we have, Councilmember Herrera is on the league of California cities transportation infrastructure and communications committee. And so we have, you know, a voice of advocacy. I know Councilmember Campos has participated in the past. This is I believe the first time the league has put together a report on this topic so certainly this has been elevated in terms of the league's interest in this

topic. And so I think for D.O.T. staff, and the manager's office, you know we're here to support efforts in addressing this problem so that at a local level, state level, as well as a federal level. So close my remarks with that and open it up to any comments or questions the committee has.

>> Councilmember Liccardo: Thank you, Hans, thanks, Kevin. Any questions or comments? No? Okay. We'll go straight to public comment then. David Wall.

>> David Wall: Welcome back to the new year here. And this issue was brought to my attention, interesting aspects surrounding funding for streets. I like the concept of property taxes. However, this funding mechanism must not mirror in any way, shape or size, in formulation, how sewer service is formulated. If every residential unit has a fraction of this cost you could raise a tremendous amount of money without putting undue and unnecessary burdens upon everybody. Now, this user business, this user business can include bicyclists, which I'm opposed to taxing anybody on a bicycle for any reason but you open the door for users, user tax, so user means everybody, until our learned and greatly people can make the -- great people can make the distinction. Why I really decided to speak about this is in relation to the state of disrepair are any number of wrecks, I mean accidents, wrecks by bicycle people or motorcycle people related to our poor roads, nighttime, you're cruising around, you misjudge the depth of a crater that's in the road, and the rest of it is medical history. I think we need to look at that per se in some light of all these problems. The main thing I think that should be looked at is fund construct and how you construct these funds for property taxes. Relying on input from city-sponsored events is not to be accepted as being just a snippet of an opinion. It is not what I'm talking about as far as raising the substantial revenues with fund constructs to fund this type of necessary repair in perpetuity through investments from these funds. But targeted for collection at every inhabitable unit. Thank you.

>> Councilmember Liccardo: Thank you, David. Okay. Unless there are other public comment on this item, we'll move to open forum. Unless there are other -- no other items on the agenda, that is right? Okay, let's go to open -- open forum. I have Harvey Darnell and David Wall.

>> (inaudible) I apologize for (inaudible) best laid plans my last patient, surgical patient of the morning is a cancer survivor and she was very blue and down and I spent an hour with her, telling her you can do this (inaudible) decided that was more important than being on time here. Thank you. Greater Gardner NAC as you know is sitting potentially in the midst of one of the high speed rail alignments. The program route that we first saw in November. And the greater Gardner NAC has worked very hard -- oh, wow! [Laughter]

>> On this issue because we realized as we began to study and work with the high speed rail authority people that there would be potentially 80 trains and up to 80 trains a day potentially going up to 60 miles an hour through the neighborhood. And we saw this as great concern. Particularly in an area where we had just created a two-acre linear park along the current CalTrain line, and felt that this neighborhood had been incurred by many transportation issues over the last 70 years. And we've spent \$13 million to ameliorate a lot of the problems and much of that money came from the city and through the RDA. And we have now turned the neighborhood. We feel that the potential of bringing it through our neighborhood is not something that we wished, and we spent quite a bit of time creating a 55-page document showing our concerns and these were not just trivial concerns. We, and Councilmember Liccardo has seen that document, and I'd be happy to share it with you. The scoping questions that we sent to high speed rail. Because the work that we've done they came up with other alternatives, one of which was a tunnel. Unbeknownst to us, they tried to remove it. But thanks to the work that you as councilmembers have done, we got it back on the table, and the greater Gardner NAC passed the resolution that wishes the City of San José the council pursue aggressively the underground options and the potential City of San José freeway alignment. Both of those would bypass our neighborhood, both of those would have fewer impacts on the neighborhood and we wish that you would support that as -- whenever you have your resolution, and I'd be happy to talk with any of you privately, if you would like.

>> Councilmember Liccardo: Thank you, Harvey.

>> Thank you.

>> Councilmember Liccardo: David.

>> David Wall: First, we're going to start off by thanking Councilmember Campos for her outstanding leadership in sustainable agriculture, which I wish I could share with Councilmember Herrera. But the year's still young. So hope is eternal. Anyway, this in regards to sustainable agriculture, I've given some tribute from the orchard of last year, obviously my councilmember gets it, whether he votes for or against it because he's a default good guy because he's my councilmember. There are some apricots for you and

a food dehydrator brochure, I'm not the representative of the company or in any way, it's the one I use, we'll talk about that later. The main crux of my statement today is my opposition on this biofuel, methane fuel facility projected for the plant. And this little grab of hysteria for this \$10 million grant from the state. This is an exceptionally bad idea on a number of levels. But let's focus on the memo created by the director of ESD, because it contains a material misrepresentation of fact, I'd like to call it -- well, we'll leave it just as the quote. On page 3, or on page 2 or 3 of this memo dated January the 5th, "The value of existing plant infrastructure" here is the kicker, "such as digesters which are no longer needed for plant operations and well as plant lands used for the biomethane transportation fuel production facility and refueling infrastructure may be eligible for consideration towards the matching fund requirement." Now, unless there's some incredible technological design with this, there are two functions you have to look at. Digesters aren't need them once you shut them down right now and destroy them. Take them off? Get rid of the people who operate them. But if that's not true, if you take your digesters off line, are you willing to go from the city that is the guru of green to the clown of brown in a few days? We have to look at that. You have a memo from people that are highly paid, and you have to rely on them because you don't know how these things work, that's the problem. Secondary problem, and I'll discuss it at more length tomorrow, inadvertently, with the use of nine-par lands as a dumping ground for all of the construction in the city and all the other projects with dirt, you've taken an area that has -- was nutrient poor, in the soils, to making it nutrient rich. In other words, you've created a park with a variety of life out there and my two minutes are up right Sam?

>> Councilmember Liccardo: They are.

>> David Wall: We'll see you tomorrow.

>> Councilmember Liccardo: Look forward to seeing you tomorrow. Okay, this meeting is adjourned. Thank you all.