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T&E committee.
>> Councilmember Liccardo: The meeting to order. Begin with the roll call.
>> Absolutely. Oh, I'm sorry. Oh. Sure I'd be happy to. My apologies. Sam Liccardo.
>> Councilmember Liccardo: Here.
>> Nora Campos.
>> Councilmember Campos: Here.
>> Ed Shikada: Judy Chirco.
>> Councilmember Chirco: Here.
>> Ed Shikada: Rose Herrera.
>> Councilmember Herrera: Here.
>> Councilmember Liccardo: We're unanimously here. We'll begin with a review of the work plan. We have four items recommended for deferral, actually, it may be five with the amended agenda. Is it just four?
>> Ed Shikada: With the amended agenda it would be item D5, high-speed rail update.
>> Councilmember Liccardo: Okay, so thank you. What we'll do is if anyone was so inclined to make a motion, it would be the four items under B plus D5, California high speed rail project.
>> Move approval.
>> Second.
>> Councilmember Liccardo: All in favor, that passes unanimously. There is nothing on the consent agenda, so we will move right to reports to committee. Mr. Shikada, you prefer we simply go in numerical order here?
>> Ed Shikada: Yes, that would be fine, although with item D-1.
>> John Stufflebean: Chairman, we're going to fold that into D-3.
>> Councilmember Liccardo: That's right, fabulous, thanks for reminding me, John. We'll move right on to number 2, status report on reducing polystyrene foam from the city's waste stream.
>> John Stufflebean: And I'm going to turn it right over to Jo Zientek for the presentation.
>> Thank you all for allowing us to speak on this issue. And with me is Melody Tovar, our deputy director for watershed protection that is also a key stakeholder on this issue. This item came forward as a rules committee recommendation, but actually the timing is quite good. There is a lot going on with expanded polystyrene, both at the local, state and regulatory level that we can update you on today. First of all, polystyrene, what is it? The most common uses that we see and that we're going to be talking about today are takeout food containers, foam clear and solid are kind of the colors that you see. Polystyrene is also used to make cutlery, and then the other common use is packaging. And we've seen the blocks and the peanuts and the other forms of foam food packaging that polystyrene comes in. So where does it go? We have two official disposal sources in our San José and our residential curbside program. And one of which we're amending which I'll get to in a minute. Most of the polystyrene is landfilled in San José. Either residence and businesses put it in the garbage or it's landfilled when it gets to our material recovery facilities run by our haulers for processing. Some polystyrene is of course littered which is one of the things we're going to focus on today. Polystyrene is very light, it floats. It's hard to handle. And it's very easy to escape from whatever system it's been in, and become litter. And including some of it's deliberately littered. Some is recycled, a extremely small percentage is recycled. We don't have -- our haulers are reporting not that much participation by residents in putting the polystyrene in their blue bins. Most of it is still getting put in the garbage, the polystyrene that does get put in the blue bins gets disposed of at the MURF because it is nonrecyclable. Less than 2% is recyclable in the state. There is issue with recycling. It is important to note that no matter what system polystyrene goes into, the recycle system or the garbage system, there's still opportunities for it to be littered, for it to escape the process, either in collection, driving in a truck when it's processed. So going one or the other does not preclude littering, and probably it's more likely to escape in the recycling process just because it's handled more at the MURF and processed or sold to a broker, if it is sold or just escapes transportation. So it's not -- you know, showing it as these kind of three paths isn't quite accurate because litter can happen in either two paths. San José is more experienced in recycling polystyrene through its residential program probably than any other city in the United States. We couldn't find any city that's been recycle it longer than we have, 17 years. We've tried a number of different ways to capture the material, clean enough for market, and have been resoundingly not successful. It's -- the markets are volatile. The materials must be clean. We just don't collect the material clean. It goes into our single stream if it does enter our recycling system goes into our single stream blue carts, gets contaminated with all the other recyclables that are in

there. Some are wet, some have food. It's been slightly compacted when it gets in the recycle truck so it breaks down more loses its shape and then it runs through our recycle system and the end product has been just not clean enough to market. So we've revised our program guidelines for residents and ask that they dispose of polystyrene in the garbage and not in the recycling system. The other issue is it tends to because it breaks apart and gets entangled in the other material it basically contaminates the rest of the recycling stream or can contaminate it. What you see here is the polystyrene that was pulled earlier this week from a lot of organics from our multifamily program and of course all this material will end up at Newby island landfill. But it does contaminate our organics composting program. There are some programs where it works better to get clean material. One example in Councilmember Kalra's district, recently he did a collection of clean polystyrene foam. Residents brought very clean material there, I think it was package material, we've seen pictures it was really clean and that is far easier to recycle than what we get. But this is typically what we see at at our MURFs. The flea market is also talking to Dart, a manufacturer, to do a potential program at the flea market. That may be more successful than what we can do. It's more of a controlled environment, everyone is on one lot. We're not sure if that will mitigate litter issues, but it may be easier to control the material in a more finite environment than what we have. So again, polystyrene is really ideally suited to be litter. It's light weight, it's airborne, it breaks down, it's hard to cope with the smaller pieces, and it never degrades. Polystyrene is a petroleum product. It pollutes our waterways. We estimate 15 to 16% of what ends up in our storm drains is some form of polystyrene. It's important to note also that there's been some discussion of other litter studies. Street studies like the one conducted in San Francisco where they took waste that was in the street, and litter in the street, it's hard to compare that to what we see in the storm drains. And the creeks, because polystyrene by its very nature tends not to stay in the street, it either blows away or becomes runoff when it rains into the storm drain. So it's really what we face, what's in the litter and what's in the creek is a more representative of the big picture than a street study. And then as many of you are aware we've got our new storm water permit litter reduction permits which are extremely aggressive. 100% by 2022. This was the regional storm water permit that every city in the Bay Area is subject to. The mitigating litter on the back end after it's been littered is extremely expensive and I know we've talked about that with the plastic bag issue. We estimate at least $2 million a year to -- it will cost the city trying to reach these litter reduction targets. And our main funding source thus far for storm water permit compliance has been our storm water fees that we charge all property owners on the city on their property tax bill. San José actually has taken several actions related to reducing polystyrene. I just want to highlight those a little bit. We became the largest city, one of the largest cities in the nation to ban polystyrene at public events, and council just did this last November. We also joined the clean bay project partnership in 2008 with other cities in the Bay Area. I think we were the first to really target reductioning one of the actions we committed to as part of that was to really target polystyrene foam litter packaging. Also, it's an item in the urban environmental accords that we've signed onto. We did a very interesting pilot program in 2008-2009 with union school district where we were able to provide them compostable food wear in lieu of the styrofoam they have been using and they've implemented that pilot and continued it after our support and they were able to stop using all their polystyrene and to this dare still running the program and they've actually been able to make it cost-neutral. And then finally we're looking at bringing forward as part of the city's own operations through our own environmental preferred procurement policy updating process a look at some model specs to limit or ban the use of polystyrene purchases within the city government organization. Part of the impetus for the Rules Committee referral was some interest from dart container and partnering with the city on using some equipment at the -- our recycle facilities, that densify polystyrene foam into smaller, more manageable pieces. And this shows you an example of a densifier. Dart is the largest manufacturer of single use food containers in the world, I think. I know they're the largest manufacturer of foam food -- of cups, foam cups. And they, I think, approached almost all our haulers with recycling facilities, MURFs, and asked them if they would consider installing this equipment. Our haulers decided not to pursue that, pursue dart's offer for a couple of reasons. One, the material is dirty, and it would still be dirty even if it's densified. It requires water and labor to clean it which they just didn't have. They weren't convinced of the market for the material. And dart had also included a provision in the agreement that the haulers promote recycle of polystyrene and some our haulers weren't comfortable with that. There are like I said mentioned with the flea market venues where this option may work better than our single stream recycle facilities and certainly when you collect at a dropoff location that collects clean packaging that's a much better opportunity than our situation where there's so much food contamination. Recently, and I think the large impetus of this was the regional permit, the Santa

Clara County cities have really prioritized coming up with proposals to look at reducing polystyrene. The recycle and waste reduction commission made reducing polystyrene an evaluation of that by staff, and this commission a lot of the work that this commission evaluates is a collaborative process with representatives from all cities in the county and the county itself. So we're already heavily engaged in this evaluative process through waste reduction commission on ways we in Santa Clara County can reduce polystyrene. Santa Clara is the first city to ban it outright beyond city operation and that went into effect two weeks ago, Earth Day 2010. And then next week we're actually having a large litter summit in the city of Campbell that was set up by supervisor Yeager and mayor Lowe from Campbell where we'll be having stakeholders from all -- every aspect of the polystyrene issue, from roadways, CalTrans, nonprofits, haulers and storm water staff, solid waste staff to really look at ways to deal with this issue in Santa Clara County and come up with a recommended covers action. On the state level, there's an assembly bill 2138, the plastic ocean pollution reduction and recycle and composting act that is being considered. There is lot of local government interest on that. We are interested in bringing a position on this bill to council by the end of may. This bill reality puts a lot of onus and responsibility on deals with the styrofoam issue on the manufacturers and the people -- and the restaurants that use the styrofoam in the first place. To work with local governments to kind of solution. It also emphasizes compostability of the packaging that the City's moved forward with, and that the packaging has to be compostable. Recycling can be alternative but it has to have a 25% recycle rate which is far greater than we have here in San José or the county presently. So that's a bill we will be bringing forward. It's important to point out too that while San José is really moving in a direction of being able to compost all the organic matter we collect in the city, currently we collect our yard waste in piles in the street, and that material's taken to a conventional compost facility. But we're looking at ways to compost food waste commercially both residential, commercial, there's an RFP on the street right now for services that include the composting of commercial food waste. All our apartment garbage and all the organic parts of that garbage are already being composted at a commercial facility and we're running pilings on running compostable single family the organic portion of that garbage. But what that means is if there is a move to compostable packaging we will have in all 37 our main waste streams a commercial facility already under contract that can do it. Unlike other facilities that have had difficulty going to compostable packaging because they don't have a way to compost it we are moving quite quickly in that direction. And then the governor's ocean protection council also came out with recommendations in 2008 on recommending that local governments really look at waste to significantly reduce polystyrene, take out packaging through bans or fees. Unlike the bag issue where San José has been a little more out in front ton carry-out bag issue there are several cities statewide that have already banned polystyrene and theories some of them. The most recent cities were San Bruno, April 1st of this year, and Pacifica, January 1st of this year. But there are several cities that have already gone down that road and we've got a lot of best practices and material and implementation methodologies to look at, if council were to desire to look at doing a ban in San José. And then there are a lot of cities, additional cities like us that have banned polystyrene at city events. So the next steps for this item is, we'll be -- we are planning to bring AB 2138 support recommendation to Rules Committee before the end of May. We are continuing to be heavily engaged in the regional collaboration, and hoping to come with some options for the waste reduction and recycling commission to consider in late fall, and then bring forward what the commission did along with other considerations for -- to the committee by the end of 2010. With that I'll open it up for questions.
>> Councilmember Liccardo: Thank you, Jo. I learned of some information I need to disclose now that I don't think either one of my colleagues are aware of but there may have been a Brown Act violation but because we're not taking action I've been informed that may not be an issue.
>> Yeah, I think the chairperson is going to do a disclosure of the conversations. But in light of the fact that it's a status report and there's so many people here to speak today, that the committee can go ahead and take the public comments and listen to the discussion.
>> Councilmember Liccardo: Okay, so were we to take an action of some kind the Brown Act violation would be that a member of Vice Mayor Chirco's staff spoke to somebody on my staff who does not actually handle environmental issues with some questions. To my knowledge no substantive information was subsequently conveyed but there was a conversation. I spoke to Councilmember Herrera this weekend believing that was the extent of the Brown Act violation. In any event, I do understand the recommendation to simply accept the report. We can offer some comments and questions, is that correct?
>> That's correct.

>> Councilmember Liccardo: Great. I have two cards from speakers from the public. Would the committee prefer to take comments from the public first?
>> Yes.
>> Councilmember Liccardo: Great, let's do that. Thank you. First will be Andrea Ventura.
>> Hi.
>> Councilmember Liccardo: Everyone has two minutes to speak.
>> I'll try to make it quick. Can you hear me?
>> Councilmember Liccardo: Yes.
>> Thank you for allowing me to speak. My name is Andra Ventura, I'm a San José resident but I'm here on behalf of clean water action. We have approximately 60,000 members in California most of whom live in the Bay Area. Actually I'm here to ask that the City of San José not wait, but move forward to produce an ordinance to ban polystyrene disposable food products, containers. You've heard already what the environmental impacts of that are. The marine problem is severe. It not only chokes our own storm drains and our own local waters but also gets into the ocean. It is starting to help plasticize our marine life out there. But it is also very, very costly to San José and taxpayers such as myself. It is estimated that it will cost the city $2 million a year to control storm drain related litter to satisfy the MRP permit. 16% of that being polystyrene means if we avoid this problem we will be saving at least $320,000 a year just to control this one problem. The arguments that polystyrene is in fact recyclable is more appropriated not realm of fiction than reality. You heard of some of the problems already. It is also an extremely competitive process. You're talking about $10 per pound of recycled resin vs. 50 cents per pound virgin material. There really isn't even an economic incentive for recycling. I provided you all with a packet from clean water action today that includes a document from the plastic food service packaging group where the industry itself -- I'm sorry it looks like this -- industry themselves are finding this to be unrealistic, largely you've heard because this material has to be clean and you're talking about food packaging. It's obviously going to be contaminated. To wind up my two minutes polystyrene is also toxic. That's something that hasn't been talked about. Styrene which is one of the components is a carcinogen in lab animals and is listed as a possible carcinogen in humans. It migrates from the food packaging into the food due to heat, the level of fat or acid. So think about that the reflection time you get something takeout or drink from something in a cup.
>> Councilmember Liccardo: Thank you Andrea.
>> The city can take leadership on this so we do urge the city and this committee to move forward on a ban.
>> Councilmember Liccardo: Thank you Andra. Next would be Emily Udder from save the bay. I hope you didn't mispronounce your name.
>> No, you did quite well, thank you. My name is Emily Udder, I'm here representing save the bay and our 25,000 Bay Area members. I would like to second the remarks that Andrea just gave. We would like to see the City move forward with this ordinance. This isn't something new. As we already saw in the staff presentation, there are over 40 cities and counties that have already taken similar action to ban polystyrenes. We'd really like San José to move forward on this. Many of the points I wanted to make were already given in the staff report. We know that polystyrene products commonly break down into smaller pieces. They get, they are very light weight so this carries them into our creeks, waterways and eventually into the bay. What we'd really like to see your committee do is move forward with an ordinance within a set period of time so that we know within the next three, four, six months that there will be action taken. As was already mentioned again can plastics industry will say yes these items are recyclable but we know the material is not clean enough to actually be recycled so this really isn't an alternative option. From production to the end of life polystyrene poses a myriad of environmental problems. There's no shortage now of alternative products. Berkeley banned polystyrene over 20 years ago so there are many recyclable and compostable alternatives available. This isn't something we need to keep using so we really hope you move forward in the next few months. Thank you so much.
>> Councilmember Liccardo: Thank you. Rene Lovado.
>> My name is Rene Lovado. Actually, I'm a businessman here in San José. I own a company called Texas Snowballs. And we do, obviously, with snowballs, we use a lot of polystyrene. I'm actually speaking in favor this. By going to a product that is decompostable it really affects us in terms of our cost. We actually have to pay more. Those products are a lot more expensive for us to go and have to purchase and we have to buy thousands and thousands of cups and covers and containers for that. But talking to my -- the people I work with or work around, and all the other vendors that I deal with we're still in favor of

doing it. We see the value that it brings to the community more than the cost is going to hit us in the pocket. So as a businessman, as a business person here in San José and someone who uses this product, on a detail basis, we think that it's important that you adopt some type of ordinance to prevent this. We'll find ways to -- what can I say, to cover the cost. Now what we would look for is support though and that is if there was some mechanisms or to help vendors or manufacturers to create more products like this for us. Because right now, there's -- there are out there but they're limited in terms of what's available. And so -- and then also too like I said if we could start to -- if there is an ordinance maybe the prices will come down because more volume will be created. So as we get more vendors to go and move in this direction hopefully that will drive and maybe the city will help us in terms of using their purchasing power to help purchase things we can buy through the city. The city has had a program for some of these festivals here like the jazz festival, where they actually have been providing those for us, which is great. We know the city can't continue to do that. So if you can somehow find mechanisms or some creative way to help vendors in the city to get to get the products, either through some kind of subsidy initially or through just using your purchasing power to help us buy it at a reduced rate that would be great. But we're definitely in favor at least the vendors I've spoken to, are in favor of removing this from the community and going with alternative products.
>> Councilmember Liccardo: Thank you, Rene, I hope you'll stay in connection with the city as we explore alternatively products. And Jeff Christina from greenwaste recovery.
>> Hello, thanks for taking the time today to listen and Jo, thanks for that excellent report, covered a variety of my bullet points. But there was just a few different reasons why I was here today. This has been definitely an issue for us over at greenwaste but just some of the environmental reasons, it ends up very easily in waterways because it's so light, breaks up very conveniently gets blown around and it can easily contaminate our facilities. If it gets broken up it can get blown into a different material which can be quite an issue for us. And very few people actually take the time or even know to take the time to clean these materials. So that way there's almost always food residue that's stuck to it and when it comes to us if it's dirty we can't do anything with it. So then it ends up getting buried and that's definitely not -- we want to be able to recover these products as they're coming through. There was a stipulation about promoting the material or excuse me, there was a stipulation about recycling this material through dart, which I thought was really interesting. If we do accept their bailer, we have to promote them, we have to promote the polystyrene, and that's not something that we're really looking forward to do. So I definitely hope that you guys will go with the ban. Thank you.
>> Councilmember Liccardo: Thank you, Jeff. Okay, those are all the comments from the public at this time. Members of the community like to speak? Nora?
>> Councilmember Campos: Thank you, first of all, thank you for the report, I appreciate that and the presentation was done very well. I know that this is an issue that, as we move forward, we need to look from a bigger lens. And whether we think about one particular component, and we're not incorporating all the other components with the polystyrene, and I'm referring to it comes in different forms, not only in the forms of what we're using through the foods, but we also know in the packaging. And some our big purchases that people make, there is this same product. And I think, as -- so I guess first of all, what I would like to understand is, will you be looking at addressing that issue in the next report? And if not, why not? So I'll ask that question first.
>> Certainly, we can look at for clean packaging material, finding some kind of regional dropoff facility. We can do an evaluation of that, along with the county. It may make sense to do it more regionally or I think we've even talked about it as part of the household hazardous waste dropoff locations, but finding a regional approach that could work for the packaging material, which is a slightly different problem than the foods package material.
>> Councilmember Campos: So would that need to be part of the direction? Or is that part of a motion? Since we're not taking a motion today --
>> Councilmember Liccardo: No.
>> Councilmember Campos: I guess what I would like to understand is how do we incorporate that in the direction as you're going to come back in the fall? I hear you know the comments about the ban right now, and believe me I'm supportive of that. But if we're going to look at materials that are bad for the environment, that are bad for the creeks, that -- we really need to look at this from a larger lens. Because right now we're just banning one thing at a time. And this is a small portion of what we're addressing, when we know that there is polystyrene and other products that are coming to our homes, and you're right, I bought something for my son this past weekend, and it was a little table and chairs, and there was

so much of that material in there. And it's -- flies away and had to go grab it and it's going down the street. So we need to address this from a comprehensive standpoint. So I guess I would ask the attorney, how do we get that to come back, as well?
>> If it's the committee's desire, I think you can give direction for a future agenda item. You can give direction for that to be in the item when it comes back to you.
>> Councilmember Liccardo: Okay. So we wouldn't act beyond simply giving direction that staff examine the issue and bring it back to us.
>> When it comes back if that's what the committee wants, that's fine.
>> Councilmember Campos: I think if the committee would support that, that's what I hope would happen. And the other thing I wanted to ask you is regarding, you talked about the dart and I think the last speaker talked about that they would be responsible for promoting the product if they were to accept their machine. I'm hoping I understood that correctly. Is that correct? He's nodding his head. Because I'm not familiar with the language of why they would have to promote it, if it were seen as maybe a pilot, maybe you can add some light to that.
>> Yes, just part of the issue is the way we contaminate product. Packaging or food containers, by the time it gets to the MURF, the recycling facility operators, it already too contaminated, even if we were to densify it into a smaller cube that's more easy to manage for recycling. So I think what we would likely do and what other cities would do is just have a whole separate location to have clean foam be taken to that doesn't include the -- our recycling facilities, which -- because they don't get that material anyway. So that residents can bring and we would just have to evaluate ways to make that convenient, when we come up with a concept to bring to you for consideration. So likely it could be when they drop off household hazardous waste, they could bring it or there is some other way they can bring it that doesn't involve our recycle facilities. Because they're just not set up, they don't receive the material that way and they are not set up to cope with it in a way that it is recyclable. So maybe there is a place that residents can take it into.
>> Councilmember Campos: And because I'm looking out in the audience and I know there are a few recycling companies here, haulers, have you had a discussion with all of our providers in the valley about this particular item and whether they could have the capacity in the future to explore this, or is it just something that is just too costly and it's not feasible from their perspective?
>> We've discussed it with all our providers in the city and many of our providers are members of companies that probably service most of -- a large part of San Francisco Bay Area. And there just hasn't been a lot of pursuit of that option as part of the residential recycling operation. So for the reasons that I mentioned. So I -- some cities have pursued clean dropoff location where it would just be part of a separate system.
>> Councilmember Campos: So are there any cities in California that are recycling this? None? Do we know?
>> There are some cities that have clean packaging dropoff. I think Palo Alto did until relatively recently.
>> Councilmember Campos: So do we know that or --
>> They've stopped, Palo Alto stopped. They had a couple of issues. Participation wasn't that high, it was difficult to run. And there was a concern that residents driving the material to the facility maybe wasn't the carbon footprint impacts of that. And there's other ways that we are trying to work with the packaging issue from more of a manufacture perspective. There are several companies that have stopped using polystyrene in their packaging including some of our high tech companies and using recyclable compostable paper products. I think we have a packaging institute here at San José State. So we're also looking at ways to instead of dealing with it at our -- way down the food chain where we're at working with manufacturers, I think I even read that China is looking at banning polystyrene packaging for China for goods that are shipped there.
But looking more at the front end to get our manufacturers to use an alternative versus the styrofoam for that packaging therefore we can handle it more effectively on our end. So there is that work that's happening too.
>> Councilmember Campos: You also mentioned that you're having a summit, when did you mention that the summit that's taking place?
>> Next Monday.
>> Councilmember Campos: Next month. Will every city in the county be participating? And one of the things I think we constantly heard from the process we went through regarding the plastic bags was, that one city may do it, next city may not do it. And there's not consistency throughout the county. And for the

most part, California, on how we're addressing these different items that are bad for the environment. So is it going to be every city participating or is it just a couple?
>> Tall cities, it is my understanding that every city in the county was invited both from the storm water side and the solid waste side. There may have been some elected officials and other stakeholder groups were invited also. Other state agencies that were interested like CalTrans and then the hauling community, the landfill community. So my understanding they put -- brought -- cast a pretty broad net on getting all the stakeholders invited. I don't know who's actually signed up to participate, but there is a great deal of interest in this topic.
>> Councilmember Campos: So I guess my last comment is regarding your comment about Palo Alto was recycle or they had a dropoff point and then they stopped because people weren't participating. You know this isn't an easy journey to retrain individuals to actually think about what they're putting in the recycle and somebody talked about people not cleaning the -- well I think I have to give my mom credit for that. When -- that was what, about 15 years ago when we started or 20 years ago I can't even remember how long ago it was, it was a habit that she started and so I think it's just a practice, so to hear that there are a lot of people not doing it is, well, I can understand that. But it is a little shock because it doesn't take that much time. It's just like washing a dish or a plate. But what I would hope, that we would not -- that we would not Fay the easy way out, and if people aren't participating in we've got to push the envelope and talk about how people are changing their habits. So that their habits are more positive for the environment. And I think that you mentioned also in your comments that we aren't at the forefront, but we can be at the forefront in we think about the other packaging that has to do with shape and mold. I think that if we put more effort, and I know this is more on you, John, but I think that it would be beneficial to the City of San José to really think about how we take the lead on this and come up with a solution. Because the reality is, is that we know that the food packaging is only a small portion. And we have all this other packaging out there, foam, that is bad for the environment. And we know that people are buying products, and we need to push the envelope to figure out how that is not going into the streams and the streets and then eventually our landfills. So I would really encourage staff and my colleagues to pursue this and so I look forward to being able to be part of that discussion in fall. Thank you.
>> Councilmember Liccardo: Rose.
>> Councilmember Herrera: Thank you, chair. Thank you Jo for your report and I thank everybody who has come to testify, too. I think your comments are very informative as we sit up here and talk about this issue. I had kind of a practical question in terms of where this issue fits in with the workload of your organization, and do you see any -- where does it fit in terms of priorities? I guess I'm concerned with everything we're facing and kind of our whole budget situation. Do we have the bandwidth to be dealing with this, just kind of a practical budget question.
>> John Stufflebean: Right, John Stufflebean, director of environmental services. That is a concern. This is funded from not the general fund, it's funded from utilities. But the utilities are also getting close to kind of our limit of different initiatives we can take on. So you know we can certainly if council directed we will certainly do it, what is asked, but this is, you know, there are a lot of issues going on in the area of waste management and the stormwater permit. The concept of a comprehensive plan to deal with litter is appealing. If you ask us to do that we'll certainly jump on that and I guess my request to be -- give us a little time to work through some of those issues because that will be a fairly -- I think a fairly major task to do so we'll have to make sure, see how that fits into the workload.
>> Councilmember Herrera: Okay, I'm also concerned I guess with it seems like one of the issues is that the polystyrene, in terms of recycling, it's really not practical to be able to accept it unless it would be clean, pristine somehow. I really want to kind of get information today about this so if we had clean containers then is recycling possible?
>> Yes, if we -- if residents placed it for pickup clean, and we had some way of segregating it so it didn't get contaminated in the collection, commingling compaction just to get to the MURF, I think it would be an easier effort. But each one of those steps is very difficult to implement.
>> Councilmember Herrera: And I've listened and I certainly have noticed that pieces of this is very light weight, it is difficult to corral and all those things. And above all I want to make sure that whatever solution we work out here, we keep this out of our landfill, out of our streams, and it is heartening to hear that even one epresentative from a business are supporting this. I'm willing to look at all sides, I'm support of what my councilmember colleague has said about getting more information and kind of looking at this as we move forward. Also, I'm wondering about education. That always seems to be a big component of recycling efforts. I know my son got me to recycle. I think a lot of times the younger generation pushes

their parents to moving to the next steps towards being responsible environmentally. So education does come to mind in terms of any kind of recycling that we want to do in this. And also the economic impact. I'm really heartened to hear you're going up the food chain and looking at where does this begin. Especially I'm thinking of high tech companies. It sounds like folks that are preparing food can look at alternatives. I'm worried about computers and other larger items where styrofoam, polystyrene has been kind of the rule as far as packaging that, what are the realistic alternatives? I certainly wouldn't want us moving from an environmental issue to something worse in terms of an alternative. So I really want towns what those alternatives would be. And I'd be very supportive of us work with our high tech companies to find those alternatives so that you know we're working with them because we don't want to incent them to go move somewhere else to avoid things that we're doing that they're not supportive of. And I understand that in Palo Alto there was a discussion of concern about businesses being driven to surrounding cities with these regulations. Can you talk about that a little bit? That would be one of my concerns, in terms of economic ram figures of this.
>> Yes, the Palo Alto ordinance just went in effect about two weeks ago. They did do stakeholder engagement process. There is a hardship provision as I recollect, so you can have an extended period of time to get up to speed. But we've also seen just in our own participation in the buying of compostable alternative market through our special events program but also through the other vendors, the prices are coming down so at some point the cost difference is going to be pretty comparable. And I think we helped drive that when we were providing those containers to our special events. But now we've got our neighboring cities requiring alternatives to styrofoam that will further drive the markets down and we really think we're going to get to a point where there just isn't that much of a difference between those containers and the compostable alternatives.
>> Councilmember Herrera: So my concern is you're talking about special events which is leading me to believe that we're talking about food, food that ends up in these things, I'm wondering if there's a difference between that and bidding companies that are using that to package to their customers. I'm wondering May or whenever you're coming back we can understand the ramifications in various sectors including high tech and also where food is involved because I think there might be some differences there. I just want to be sure I understand that. And then finally and I think this is again what Councilmember Campos is talking about working with county and surrounding cities, working together so that we're not doing a one off, that we are working together with them and having something that is more comprehensive and also, focus on making sure we're working with the businesses in this community. We don't want to do something that's going to be negative. For them I want to work, I think we should have the same goals in mind and again it's very heartening to hear that Reneé Lavado talking about the right thing to do for our environment is the right thing to do for his business. That's very heartening to hear. I want to support the ban on this but I want to do it the right way. Thank you.
>> John Stufflebean: I know we're running a bit long here, but I wanted to make two quick points. One is, we do think that product stewardship is the next frontier in this area, that we've gone about as far as we can go in terms of recycling. So it's really good to hear that discussion happening, and that has to be regional, statewide, national because products are made all over. So I appreciate that you recognize that. Secondly, I just wanted to give Jo a chance to talk about the go green conference we had relative to the schools, just a sentence or two Jo how it went on Saturday.
>> On Saturday, we had a Bay Area wide K-12 go green schools conference where we had teachers from all over the Bay Area and nonprofits and school administrators and parents and students to a sold-out crowd at the Hayes mansion. And everyone was surprised how this beautiful facility right in the middle of a residential neighborhood. But we were really able to get some of the best minds I think and environmental education and so much of those are here in the Bay Area but we often don't talk and we were able to get some great ideas of what Alameda County was doing, San Francisco, San Mateo came and really gave the teachers a great meal and some great network opportunities we hope. We got very positive reviews on it and we had an excellent 15-year-old speaker from Ventura who formed his own climate change kids climate change program including all kinds of iPhone apps and the latest that I wish we'd use more on our outreach but it was just a great -- I thought it went really well. The feedback we got was excellent and just some great tools for teachers and we're really working with the other counties to kind of make a one stop shop. So all of the resources we offer which again I think are some of the best in the country are really available in one place for teachers to get their hands on and then we have support to help them implement that.
>> Councilmember Liccardo: Thanks, Jo. Judy.

>> Councilmember Chirco: All my concerns were previously mentioned. But I think we have another resource in our community, that would be great, and that's the Silicon Valley leadership group. When we're talking manufacturers, also I think it's really important that this be county wide because if just San José does it, that affects very little. County wide, even statewide, I do notice on the evaluation and follow-up, you're talking about bringing this forward, with the results of the regional effort which I think is really key to the success of this. In late 2010. So I will look forward to that. And then I also was at the -- well, had a much longer title but was formerly known as the go green conference on Saturday and came away with another one liner which is if you want to change the future, teach your children. And that was a great way of creating leaders that will change the future. So keep up the great work, we need to find strategies that leave less of a footprint on our environment. Thank you for your report.
>> Councilmember Liccardo: Thanks Judy. There have been a lot of good comments so far. I think it's clear from what has been presented so far there is not really a path to sustainable that's paved with polystyrene that we've got to move in a different direction because recycling isn't a terribly viable option and it really means getting it out of the waste stream completely. So I think that is the direction we are heading as a city. I do want to sort of interject sort of a dose of my own experience in terms of dealing on a county wide basis from I know Jo you've presented before at the cities association and I know you have been back and forth at RWRC in various presentations. I know those groups look to San José to take leadership. With the exception of Palo Alto there aren't a lot of cities that have the temerity to jump out there. And we are the big fish here, and people expect us to take the lead, so I think that's important for us to do that. But many of the comments were well taken, Councilmember Herrera and so forth doing so collaborative with business. I hope we'll be having meets with ooh our partners, the ethnic chambers of commerce, I say particularly ethnic chambers, because that's where an awful lot of the restaurants end up being and hearing their concerns very clearly. What I really hope that we will get as a committee, and what the community will get, and by community I mean particularly those business owners, restaurant owners and others, is a really good evaluation of some of those alternatives to polystyrene. The coated paper board the PET the polypropylene and polyethylene, to understand the cost to them, as consumers or business owners, to understand the life cycle, environmental impacts, are we really better off or aren't we, I think that also was expressed already but I think really being able to understand the alternatives clearly, is going to be important in our communication with community and also, our own understanding in terms of how we move forward with this. I am mindful that there's going to be also some concerns raised about health and safety, how good are these alternative products, you know, coated paper board or otherwise in keeping the food, at the proper temperature for some duration. So those are the kinds of things I'm sure there has been a lot of study already. I know enough cities have jumped out of there that we should have a good indication by now, and I'm hoping that whatever comes back to this committee will reflect an analysis of some that. So with that I think it's probably time for a motion. I know a lot of concerns have been expressed and we probably can incorporate them.
>> Councilmember Herrera: We can't make a motion?
>> Councilmember Liccardo: We can make a motion regarding information that we have seek, is that right?
>> I think you can accept the status report and if you want to agendize -- I think if you want to refer for the future agenda item, the information that Councilmember Campos requested, that would be fine.
>> Councilmember Liccardo: Right, I think several folks have expressed a desire to have questions answered so in addition to Councilmember Campos. Councilmember Campos, did you want to try to formulate a motion?
>> Councilmember Campos: Yes, I'll try here. So I guess it's a motion to accept the report, with the comments that I made, the comments that Councilmember Herrera made and Liccardo, and Vice Mayor Chirco. And then I wanted to just add one more thing. That I think it would be beneficial, John you mentioned that it would be great to be able to do a comprehensive litter removal. If, as you are -- because I know that Councilmember Herrera asked if this fits in your work plan. I would encourage you to think about the comprehensive. If it's something that will save time. And it will benefit the city in the long run, as a city that's innovative and usually at the forefront, I think that would be appropriate. So with that, that's my acceptance report.
>> Councilmember Herrera: Second.
>> Councilmember Liccardo: Okay, it's been motioned and seconded. Comments on the motion? I'd just like to make one. If we're talking about more comprehensive approach with litter, I know RWRC has been doing lots of work with this, and I would imagine we probably shouldn't have to reinvent the wheel if

they're doing it on a regional basis. I want to apologize to my colleagues. There was obviously miscommunication within my own team, and I want to apologize for the challenges that the failure to communicate may have created. With that, all in favor? Any opposed? That passes unanimously. Thank you very much. Okay, we're moving on now to item D3, San José strategic energy action plan. Welcome, Kerri and Mary.
>> John Stufflebean: As we get set up, I'll introduce the members of our energy team. Mary Tucker, as you all know, has been working with this many of years. Kerrie Romanow will be helping with this presentation, and also Ashwini from the City Manager's Office.
>> Great. Well, thank you. We are changing our energy report this month to talk more forward-looking in regards to our action plan. And Mary Tucker, who has been leading the city's energy program officially for a couple of years, but unofficially for a couple of decades, I believe, will take us forward. And then Ashwini Kantak has been an integral part of this effort through the manager's office. Ashwini has actually been leading the 50 megawatt effort. So we've decided to share some of the fun, and I think we're make some good progress. So with that I'll turn it over to Mary and take care of slides.
>> Thank you, and good afternoon. I'm Mary Tucker, the energy program manager here to present the city's strategic energy action plan. With your handsouts you have these slides and our monthly listing of energy workshops that we usually do as part of the verbal energy report, so those are in there too. Within the City's Green Vision goals are two very specific and ambitious goals related to energy efficiency and renewable efficiently. These energy goals are also strongly integrated with five other Green Vision goals. The development energy action plan was guided by these goals, the energy action plan direction provided by the mayor and council in June of '09, and from broad stakeholder outreach which began in 2009. To give you a perspective of energy use within the city this chart shows the various sector use within San José. Overall the city uses 11.6 billion kilowatt hours per year, and that's electricity and natural gas, according to PG&E data for 2007. Municipal energy uses 339 million kilowatt hours per year and it's incorporated into the commercial industrial figures within the PG&E data. In order to reach the 2022 Green Vision goal for energy use per capita reduction an annual 5% reduction will need to occur per year. And use of renewable energy will need to increase by 16% per year to reach 100% by 2022. This PG&E data shows the overall increase in solar installations in San José since 2001. The city is currently at 15 megawatts of total installed solar. That may sound like a big number but that's only about close to 1% of the City's electricity use. According to California solar initiative data San José leads however in California in the amount of solar currently installed but right now San Diego has more pending applications and may soon surpass us. The energy action plan was guided by the framework listed above of the City's adopted Green Vision. And the council's energy action plan of June 2009. The recommended two-year and long term actions that were developed fall into these categories. The following slides follow some of our successes, two year and long term actions. We would also like to turn out that the environmental services energy team is 75% funded by savings and grants. We've been very successful in securing outside funds but we are aware that these funds could be depleted at any time. Leading by example. Using numerous sources of funds, the city energy fund and federal grant dollars, the city has a strong municipal energy program guided by an interdepartmental team of 14 city departments. We are also working diligently to achieve the goal of 50 megawatts of solar on municipal facilities. As noted in the memo, the city will soon achieve nine megawatts of renewables, out of the treatment plant, the airport, the central service yard among them, and we have successfully engaged in a large-scale PV installation process from RFP to cost-effective negotiations and agreement. We will be using these successes and lessons learned as we prepare the next round of RFPs for solar on city facilities. And over the long term, in order to achieve the energy goals, we will be exploring a wide variety of options, including establishing an organics-to-energy plant and possibly exploring the feasibility of providing more renewably generated energy to our community through community aggregation. As it relates to increasing the city's renewables we've learned much and identified those several issues that need to be addressed as we move towards achieving our 50 megawatts of solar on municipal facilities. Park land facilities. Several of the facilities identified in the next round of procurement are located on park land. Solar installation requires leasing to the solar provider for the term of the agreement usually around 20 years or more. Charter section 1700 of the city generally prohibits the granting of any leases in the city park in excess of three years without voter approval. We are exploring the options to address this issue. Review and project management cost. All solar installations will require environmental and design reviews, permitting cost and other project management cost including these costs through the power purchase agreement structure often results in hire rates and financing costs so we are also exploring where are some funds available for these

costs. Existing finance mechanism requirements. IRS regulation requires that facilities acquired, constructed and improved upon by the use of tax-exempt bonds, which includes many city facilities, be used primarily for government purposes. If the city leases the roof of a property to a solar provider under a power purchase agreement or other mechanism, this could increase the percentage of private activity at that facility and jeopardize the installation. Again, city staff is working closely with the city attorney's office and bond counsel to address these issues as soon as they arrive. And finally the long term outlook for facilities. To balance the projected deficit for fiscal year 2010-11 the city will be considering receivable partial and full facility closures. Given this uncertainty it is a challenge to predict which facility will be best suited for long term solar power purchase agreements. Staff is working closely with the relevant operating departments to identify facilities with the best long-term outlook. We continue to explore these issues and will bring back recommendations to the committee as appropriate. Advocating policy, staff continues to monitor a wealth of energy legislation on the state and national level bringing recommendations for positions to the council as appropriate. Some key issues that we are working on now deal with ensuring appropriate rate tariffs for renewables under AB 2466, the city-sponsored legislation, and working with PG&E to ensure better rate agreements for our street lights, our city street lights. Long term, the city could look at advancing energy codes within the city beyond state title 24 building energy codes. Several cities throughout California have adopted advanced codes and this is an area the city could explore. Financing. By late summer, city residents will be able to apply for funds to install energy efficiency and solar measures on their homes through California first. Property assessed clean energy financing options. Staff has been working throughout the city presenting numerous neighborhood -- presenting at numerous neighborhood associations on this and several other opportunities to finance renewables. The City's energy efficiency fund is a unique process that provides ongoing funds for municipal projects funded by General Fund dollars. First, and second-year savings, along with any rebates, are redeposited into the city's energy funds and this provides funds for a dedicated municipal energy officer and money for future energy efficiency projects. The current boost of federal dollars through recovery act funds is also providing much needed funds for city projects. These grants have a definite end-date and the City's revolving fund will continue to assist in future projects once these funds are gone. But long term we really recognize the need to expand the financing mechanisms both for the municipal and the community level and exploring the range of options available to us. Strategic partnerships. Partnering throughout the community with our business and residential partners has long been a tenet of city energy projects. We could not do what we do without the community. Over the next two years we look to partner with green technology companies through the City's demonstration partnership policy and expand our current partnerships. Engagement. A city engaged is a city that will take actions. With numerous utility and federal grants, the city has been able to establish a presence throughout the community. We're holding solar block parties, energy fairs, teacher workshops, and we're offering tools in all our city libraries. In fact, the energy -- the kilowatt is now available in all libraries throughout the county. By July, the city will begin work on assessing the energy vulnerabilities of our community and develop a local energy assurance plan funded by the Department of Energy. Working with our office of emergency services and other state and local agencies this plan will work to ensure that we're able to address energy issues during disasters. So as you have seen before this is a page from our Silicon Valley energy map developed by our energy watch program a PG&E funded project. The map shows installations of green buildings, solar and energy efficiency county wide, just a few dots right now. But our goal is to increase those dots throughout the community. So thank you for your time, as we have presented our strategic energy action plan. Our next step will be to begin implementation of our energy plan if approved for full council consideration. And I and our team are available for any questions.
>> Councilmember Liccardo: Thanks, Mary, questions, comments?
>> Councilmember Chirco: I have one comment. Keep up the great work.
>> Councilmember Liccardo: It is a good one.
>> Councilmember Herrera: I have my questions if I can find them.
>> Councilmember Liccardo: Want a minute? I'll just jump in.
>> Councilmember Herrera: Go ahead.
>> Councilmember Liccardo: Okay. Thanks Mary for great report. Had a quick question or two. One is, regarding the excess generation capacity, I'm looking at page 2 of the attachment, on the status report and strategy. Regarding AB 2466. And I understand there's lot of uncertainty out there right now as to what we get if we get into the business of producing excess electricity. But I wonder, given the direction that we seem to believe the trends are going in terms of increasing cost of electricity and so forth and if in

fact in a world in which there may be still, I don't know if there really is, but there maybe other sources like federal money that can help us with the capital, up-front capital cost of building solar arrays should we be precluding at this point the opportunity to be building solar arrays and generating electricity in areas where we know we don't have electrical loads? I guess what I'm looking at now is a sentence that says staff is recommending that city lands with no electrical loads should not be considered as part of a city solicitation until we are able to develop a more definitive cost analysis. Do you maybe want to unpack that a little bit?
>> Yes. So I'll take -- Ashwini Kantak with the City Manager's Office. So as we look at all of the facilities, there's so much to look at. And at this point what we're looking at is grid parity or better for any facility or site. So we do need some kind of specifics in terms of how much the pay back would be. And that's why it's just kind of the first round of facilities that we're not looking at the no-load. So once we have that RFP out we will start look at the vacant lands as well. We're hoping we'll have a little bit more definitive direction at that point as to what return we could get.
>> Councilmember Liccardo: Okay.
>> It is in the pipeline but not our first step at this point.
>> Councilmember Liccardo: The lower hanging fruit is where we already know we're burning up electricity. Great. The other question I had was looking at that chart that was provided at the end of one of the attachments here, three page part, attachment 2A, the list of city facilities, and looking at comparing that to what we see on page 4 of the report where we've got potential municipal installations over the next two to five years where we've identified 43 megawatts which is extraordinary to me, I'm amazed that that's -- we can do that much which is great. It looks like we've got like 19 megawatts that seem to be relative near term.
>> Right.
>> Councilmember Liccardo: And then another ten megawatts that are a little harder to get to. Is there any way from looking at this chart we can tell which is which? Looking at the chart on 2A figuring out which installations are more likely to move to the front?
>> So actually the 19 megawatts, corresponds with the list of facilities that --
>> Councilmember Liccardo: Oh, that's the whole thing.
>> That's the first round. And then the 10 megawatts is kind of other facilities that we look at. We started with the facilities for energy efficiency improvements have been done or planned or you know nearly constructed to an energy efficiency standard so that's the first round which is 19 to 20 megawatts. Begun that is just the potential so it's hard to say when proposals come back and we look at how it's penciling out where we're going to be at. But that's the first round. And then the second round is kind of expanding that scope.
>> Councilmember Liccardo: I see. And okay, so I imagine you have got a lot of older community centers and libraries on this list. Some of those may not even have solar ready roofs or anything like that.
>> Actually, the list of facilities here has been vetted against kind of roof condition, energy efficiency, long-term viability also. There was a much larger where things fell off because of roof condition or maybe the center may not be open and those kind of factors.
>> Councilmember Liccardo: So a lot of work has clearly been done. Well, thank you very much. Rose.
>> Councilmember Herrera: I'm curious, you know as we know there's an initiative on the ballot currently that would prohibit cities from setting up their own ability to have a power plant. Which is -- which we see actually with City of Palo Alto and city of Santa Clara and from what we understand talking with companies is why some our major companies locate there is they have a nice assured source of power generation. Can you comment in terms of our plan, any of the solar kinds of things that we're creating, do you see anything that would prohibit us or any concerns we might have with companies that would be moving in that direction and in sort of stopping some of the efforts that we're trying to do?
>> Hi, Kerri Romanow with CSD we actually have lots of comments about that topic but I'll be brief. You know, council took an opposing position on prop 16, and with our approach to this particularly energy plan and installation of renewables on city property, we're really looking for the sure things right now to make a dent in the General Fund deficit. And as Councilmember Liccardo asked questions around open space and doing larger solar installations as the playing field becomes a little bit more stable and more clear we'll be able to look to those types of investments. But right now there is so much uncertainty around large solar installations and whether or not we could make money on it, that given all the options we have to spend our time and money on, we're trying to go for the sure things that save us money. And we expect that in the next year or two, it will become more clear, what cities can and can't do and a lot of

cities will continue to bring this issue forward, because it is a nice way to attract business. But it's also a nice way to provide more renewable energy to our residents and our businesses.
>> Councilmember Herrera: Thank you. I think you pointed out a couple of good advantages. I just look at our neighbors and those two things seem to go together so I'm concerned. I have heard some complaints from people in my district regarding the introduction of the smart meters from PG&E, concerns about whether these meters are accurate, and just a lot of concerns about them. Is there anything where we are able to do to shed light on that or to make inquiries, I just raise that because I have heard so many questions about it. The calibration, apparently, inaccuracy, do you have any comments on that?
>> Well, Jeff and I are meeting with PG&E next week. So we'll bring those concerns up.
>> Councilmember Liccardo: Let 'em have it.
>> And they really should be directing their complaints Mary to the CPUC.
>> Correct. The CPUC has hired an independent consultant to do a complete review of all of this and, you know, come up with some recommendations.
>> Councilmember Herrera: Okay, perhaps if you can direct some of that information to our council office so we can put it on our newsletter.
>> Great idea.
>> Councilmember Herrera: Give people some great information about how they can make that complaint and I'm sure we can also have Gary here may hear some of that from the mercury. My last question is on solar installations, this is fabulous this map. Are we doing any or is there any desire to have any friendly competition between different districts in terms of actually having solar installed in residential or --
>> You may not have noticed but I'm a pretty competitive individual so I would fully support any type of district to district head to head competition. I would encourage it not only be on renewables but also on energy efficiencies. So everyone's got their own ability to finance one or the other and some of more cost effective and maybe it makes more sense to do energy efficiency for other folks it makes more sense to do solar. But I think that would be fabulous idea.
>> Councilmember Herrera: Are you showing that on the maps like which districts are --
>> Can you sort by district.
>> Councilmember Herrera: Okay, so we can do that, okay.
>> And our staff will be happy to provide tutorials through that. It's a pretty easy process but we've done it more than once.
>> Councilmember Herrera: I haven't really dug down in your maps, I was hoping that was the case. I think residents are pretty excited. I know in District 8 they're excited about having solar and about District 8 really acquiring more solar and having more residents do that. So I think they would be pretty excited about doing that and I'm sure other districts as well on other aspects. Great report. Thank you.
>> Councilmember Liccardo: Great, unless there is anything further, I don't have any comments from the public. We can entertain a motion to accept the report.
>> Councilmember Herrera: Motion to accept with a referral to council.
>> Councilmember Liccardo: Oh okay, all in favor that passes unanimously. We'll move on to item D4, status report on automated camera enforcement. Welcome, Hans.
>> Hans Larsen: Good afternoon Mr. Chair members of the committee, we have a report for you on automated camera enforcement program for red light running. And joining me for this item is Lily Lynn-Sao. She is our director for the traffic enforcement in the Department of Transportation. We'll get that up here in a second. Should be D-4. There we go. Just by way of background, as the committee and council may recall, in May of 2009, council authorized Department of Transportation and police department to move forward with a pilot program for automated camera enforcement for red light running. There was money allocated through the traffic capital improvement program through this fiscal year to pay for the staff work to get the program started. What I have for you is a good news and bad news report. The good news is we've made progress in getting the -- doing the background work and developing the program and working towards hiring a vendor to initiate the program. The bad news is, is that the reality of the current budget environment that we're in, and the sort of stability of our staff resources are leading us to the point where we don't have the ability to actually go forward and actually implement the program at this time. And we are proposing to put the program on hold until the fall and get a chance to reassess both our financial ability to do the up-front cost for initiating the program and to have the staff resources to be able to roll it out. But we wanted to give you an update in terms of where we're at. Next slide. We have, in the Department of Transportation, in the city, with support from the police department, an incredible

safety record in the City of San José. If you look at this bar chart, we dust this one out every year for the council. We're very proud of these statistics on how year after year, we have continually improved our transportation safety record, where we are at this point is we have a crash rate that is half of the national average. And we keep producing a little bit better every year. This is really a legacy to the -- our prior director, Jim Helmer who had a razor sharp focus on safety. We did that through our engineering programs and our data collection where we would determine where our biggest problems are and proactively look at what we can do to make San José safer. We have an award winning education program for safety for young people for senior citizens that is working on changing behavior, improving behavior in the area of transportation safety. And both of those have produced great results. The area in which we think we can further improve is this the area of enforcement. And as the council knows we've struggled to have you know police officers provide regular enforcement. But -- and so that is why we find it so appealing, is to have automated camera enforcement throughout the city where you have enforcement resources there 24-seven. There have been studies done for enforcement that show that it's a very effective tool. Studies enforced at a national level. You can get, by deploying these kinds of automated enforcement systems it's been reported to be effective on a national and state level and producing some very significant crash reduction results. There's a 2002 California report that shows for jurisdictions that are doing this, that they are get an 11 to 55% crash reduction. As I mentioned, the enforcement is there, 24-seven. And in terms of the societal cost of avoiding crashes and injuries, you get significant annual cash savings because of these. We heartily endorse this program as an effect way to improve safety. There is a little video clip that indicate the kinds of benefits and the types of incidents occurring every day where people are injured or killed because somebody isn't paying attention at the intersection. And as it points out there, this is something that is entirely preventible, through enforcement. Next slide, what we have done and actually accomplished a lot this fiscal year in developing the program, we've done a complete analysis of the locations in the city in which we would have the greatest benefit of automated enforcement. What council approved was piloting six intersections within the city as part of the initial program. So we've identified where in these automated enforcement tools would be best applied. There are 100 cities in California that are using automated enforcement now. We have benchmarked with them, found their best practices in terms of how they implement their program. We've met with the superior court that would be in charge of helping us administer it in a ticketing and ticket processing. Right now there are no cities within Santa Clara County that have the program and so we wanted to work with the courts to make sure that they are working with us as a partner. And then we completed an RFP process and we're just finishing up that effort. The RFP is out, we've done interviews and evaluation of three vendors that have proposed on the San José system. And later this month, we will have a completed process. Our goal initially was to try to have something that council could award a vendor contract by June of this year. Unfortunately and here's the bad news part, is that both within our General Fund and our traffic CIP, we do not have the front moneys that are necessary to encumber the vendor contract, to start up the program. We do believe that this program would be cost recovery or close to cost recovery. But the issue we face is that we need to encumber the money for the contracts and we will be looking at a initial two-year period. And then the money, the cost recovery portion, would come later. So much like a grant program that we have, which is another area that we're struggling with, we need to come up with the money initially in order to start up the program. The other concern that we have both with D.O.T. and the police department that with the kinds of budget cuts that we're looking at, the staff resources or the stability of our staff to be able to roll out a program like this, there's a lot of uncertainty regarding that. And so that's one of the contributing factors that leads us to recommend deferring this program, at least to the fall, so that we have a bit more stability within our organization to determine how we might best roll out a program like this. Some of the activities that are included in our staff report that we would need to do is conducting outreach with the community, let them know that we are planning to do this. So there is a fairly intensive staff effort associated with rolling out a new program like this. So our recommendation is that we finish the RFP process. We've got vendors selected so that we're essentially ready to go, once the budget and staff environment is appropriate for it. Again as I mentioned that we recommend that we reassess the program in the fall and see if we have the ability at that time to roll out a new program. That concludes our report. We'll be happy to take any questions the committee has.

>> Councilmember Liccardo: Thanks Hans. Questions? Vice Mayor?

>> Councilmember Chirco: I know you've investigated every funding avenue. I don't know what percentage of tickets issued in San José that we get revenues from. But it does kind of come to mind, that is that a possibility of a funding resource?
>> Hans Larsen: The funding resource for the program would come from the tickets that we issue, as part of the red light violations.
>> Councilmember Chirco: Well I was thinking about the tickets that are currently issued. Seems like I recall that some small percentage of it did come back to the city. I could be completely wrong.
>> Hans Larsen: Yes, the current ticket revenue that we do get is part of the base budget the city has today that supports the enforcement programs they that we have now primarily through the police department. So those revenues have already been accounted for as part of our base project.
>> Councilmember Chirco: Uh-huh. Well I think it's a great program and hopefully, in the fall, when we have more stability and predictability, it will be something that we can roll out. Thank you for your report.
>> Hans Larsen: That's my hope, as well.
>> Councilmember Liccardo: Councilmember Herrera.
>> Councilmember Herrera: Thank you, Hans. This is really sounds like a good program and I support your reasoning for delaying it until the fall. In terms of the outreach is that -- my understanding that would not continue then we'd wait until the fall for that or is that -- would that be continuing or starting?
>> Hans Larsen: Yes, we would essentially complete the RFP process and then we would not start any outreach until we know that we have a funded program and have the staff resources to be able to deliver it. And then then that would be I think the next steps, when it's decided to pick up the program, is to execute the contracts, contract with the selected vendor, and then begin the outreach program and the installation of the equipment, et cetera.
>> Councilmember Herrera: Thank you.
>> Councilmember Liccardo: Hans, could I ask, how big a number are we talking about in terms of up front capital and staffing cost for this small pilot of six intersections?
>> Hans Larsen: So what we would have is looking at -- I figured that would be asked so the number is 1.3 million.
>> Councilmember Liccardo: Okay, that's a big number.
>> Hans Larsen: Is what we estimate as the vendor contract that we'd need to take to council. So we'd need to encumber money for that. What that would cover is the first phase of the six intersection pilot. So that would cover three intersections, and what the commitment to the vendor as a minimum amount would be a two-year program. So that would cover the startup. Now, we would begin, so we'd have to front-load it so the actual payment of the equipment would be paid to the vendors over time. But what we're looking at is, as soon as we begin the contract, then we're paying the vendors on a regular basis, for them to get started. As we roll out the program there's an initial grace period. So we'd have the equipment up, we'd be issuing tickets but essentially on a warning period. So there are probably a good -- see if I have the numbers here right -- at least three, four, five months of program starting, in which we're incurring cost but we're not starting to get revenue back yet.
>> Councilmember Liccardo: Are you legally required to have that great period or do you think that's a smart thing to do?
>> A 30 day waiting period, citation, grace period referring to the 30 day system up and running, warning notices are issued and then 30 day concludes then the first day that we can actually cite is that 31st day.
>> Councilmember Liccardo: That's state law?
>> Yes.
>> Councilmember Liccardo: Okay, so here's where I'm going with this, the question, I guess. Two parts. One is, are there economies of scale here? If we were picking a longer period of time, if we were picking more intersections, whatever it may be would it get us oto the opinion in which we would have a smaller per unit cost? Such that we could actually require the vendors to front load the cost for us within whatever the contract is that we signed with them?
>> Hans Larsen: Yes, to the degree the way we've structured this and look at best practice from other jurisdictions is the vendors are front loading a big part of the cost. The 1.3 is, we wouldn't be paying that out to the vendor right away. But with our contracting procedures, is that if we're entering into an agreement with a consultant, we want to have some level of assurance that we can pay that. So we are not paying you know 1.3 million lump sum up front for a multi-year period, but we would have to identify in our budget sources the ability to pay that. So there is a -- I mean I think the flexibility working with our budget office in terms of for the first fiscal year, you know, there's some expenditures that we incur with

our vendor contract, but then also assumptions of revenue that we would be getting from the ticket. So it's not just a -- there is assumed revenue in that first year. But --
>> Councilmember Liccardo: Right.
>> Hans Larsen: -- again it's sort of a two-part issue. It's both the front money but almost as significantly or maybe more significant is just the staff resources that we have, both PD, D.O.T. are looking at cuts to our enforcement.
>> Councilmember Liccardo: Sure.
>> Hans Larsen: Traffic management programs. So the folks that we have that would be implementing this unfortunately are some of the folks that are being considered for cuts.
>> Councilmember Liccardo: I guess what I'm trying understand is if there's enough money in the deal to help us keep those folks employed? And by that I mean if we were to extend the duration of the proposed contract. And by adjusting the fee, that the supplier of the RLC equipment would get, essentially require them to cover our up-front cost. So that, then, as we get $141 per violation on going, our cost in the long haul would be covered because they just fronted us and we just pay them a higher fee per month over time. Is that something we've explored?
>> I'm not understanding.
>> Councilmember Liccardo: Well, it seems to me there's some variables here in the price. And if they're getting -- they may be willing for example to front some of the -- front capital cost that we incur occur, if they knew at the back end they were getting higher monthly fee, and we could match that stream from the revenue we'd be getting from tickets.
>> Okay.
>> Councilmember Liccardo: The point is, by extending the duration of these tickets can we get to a place where we can get to full cost recovery, have this things happen, keep people employed here, and not have to put this off. Because I think we know in the fall it is not going to be any better than it is today. The reality is, if we defer now it is going to be deferred for a very long time.
>> Let me see if I can clarify this.
>> Councilmember Liccardo: Sure.
>> The contract with the setup is such that we would pay the vendor a fixed fee roughly in the ballpark of $5,000 per approach. And any intersection may have one or more approaches, meaning then for an intersection having enforcement of two approaches we would be paying $10,000 a month. And that $10,000 a month assumes that it covers some of their operating cost as well as recovery of system installation. So over the two years of contract they would have recouped probably say 50% of the program cost. It's assumed in the contract that they would recoup the up-front cost. In terms of raising the monthly fixed fee, our contract services, our procurement services are structured such that we would be procuring the lowest cost. So there's no real incentive for a vendor now to submit a higher-cost monthly fee proposal.
>> Councilmember Liccardo: Right, it would require us to negotiate with a vendor to figure out how to structure our up-front cost, right?
>> Correct, that's not how the RFP is structured.
>> Councilmember Liccardo: I'm happy to take this up off line. I don't want to take up everybody's time now.
>> Hans Larsen: I think what we have there is, in terms of how we look at this and finance the up-front commitment that we need to make at the time we award the contracts, I think what we're asking for is we'll be working between now and the fall at finding a way to try to work this out financially. We think this is a very important and valuable plan for the community. It's more the uncertain environment we have now with the budget that makes it difficult to roll out a new program when we're cutting so many others.
>> Councilmember Liccardo: Sure.
>> Hans Larsen: So I think our view is let's let the dust settle a little bit on this year's budget process, and with the action that council takes in June with the budget we'll have some more certainty to assess the -- a method in which we can try to deliver this program in the fall. And I think what we would look at doing is putting this on the agenda for the work plan for this committee in the fall, and we can have a much fuller discussion about you know the ability to move forward, and what kind of direction from the committee and council there is, to try to make this happen next fiscal year.
>> Councilmember Liccardo: Great, thanks Hans. Okay I don't have any cards from the public. So I'll entertain a motion.
>> Councilmember Chirco: I would move to accept the status report.

>> Councilmember Herrera: Second.
>> Councilmember Liccardo: Okay, all in favor, none opposed that passes unanimously. Thank you very much. I think we skipped past, we deferred the high speed rail, so that takes us probably to D-6, status report on deferred maintenance and infrastructure. Hi, Katy. Hi, Tim.
>> Katy Allen: Good afternoon, Katy Allen director of Public Works. And joining me is Hans Larsen, acting director of transportation, and Kevin O' Connor from the Department of Transportation as well as Tim Borden. Today we wanted to provide the transportation environment committee with an update on our deferred maintenance. To give you a little bit of context, in October, of 2007, there was a study session on deferred maintenance and all of the attributes that went into what the city was faced with. Coming out of that a year ago, we presented to the committee an overview of where we were and I wanted to show you the first slide that we have, which is a side by side comparison of our deferred maintenance. I do want to mention that this is a living document, and so we did make changes from when the report was actually distributed to you. And I want to draw your attention to the 13 different programs that are outlined in the backlog. Kind of if you go down to the bottom line the $832 million backlog was reported to the committee a year ago. And this month, we wanted to report that that backlog was at 771 million. So that's the good news. We'll get to the bad news in a minute, but for right now, let's enjoy the good news. So these are the programs that are included in the backlog. I'm going to go to the next slide and point out to you some of the notable changes. When we went from the $61 million, if you ask yourself where did that come from? It primarily came from one-time ARRA funding but it also came infrom utility rates. And so what you'll see on this side is the sanitary line, we were able to reduce our backlog by $17 million because rates are dedicated to the program. And when you approve the capital budget, those funds are allocated to that capital work. On the transportation side, that is not the case. Particularly this year Hans is going to cover in detail but this year there was some ARRA funding. So on the one hand the backlog went down but also the needs grew. So the net result was a $12 million reduction in the transportation backlog. And then on the water pollution control plant we actually removed that from the backlog. And I want to share with you why. It's actually a funded infrastructure need. So in other words what we wanted to track in our report was the backlog that was not funded. So yes there is a deferred maintenance out at the plant, and John is here and he can talk to you specifically about that.
>> John Stufflebean: (inaudible).
>> Katy Allen: Yeah, but there's actually a funding stream dedicated to that backlog and so we're going to remove it from our deferred maintenance report. The next slide is kind of a graph and I wanted to highlight a couple of things here. This is kind of the bad news part. If you look at the infrastructure backlog 80% of it is a combination of transportation and sanitary program. The difference between the two is that the sanitary program does have a funding stream. And so that's kind of the good news part of this graph. But on the other hand, 50% of our backlog is transportation, and as Hans will mention, that does not have a dedicated funding stream outside the General Fund. This is kind of the recap of where we're and I think we want to provide the report to the committee so they can review it and hopefully approve it but also ask for the support to go to the full council with a study session in the fall with a focus on transportation because as you can see that is by and large the largest area of our backlog as well as the area that doesn't have a funding source. So with that I want to turn it over to Tim. He's going to cover very quickly the sanitary program, and then Hans will cover the transportation.
>> Thanks, Katy. Tim Borden, deputy director of public works. So we've been in front of this committee a couple of times the last year talking about sanitary sewers and the developing strategy, that working with our master planning our conditional assessment of our master system and also our rate study to support that work. Some of the things that are driving again from the charts that Katy showed you sanitary is clearly the second largest deferred maintenance and infrastructure backlog. But we think we have a clear strategy and at least part of our funding strategy in place. Things that are driving our strategy right now, are look at the aging infrastructure, we've talked to you about our 100-year-old sewers and a lot of that system is coming due basically for upgrade and rehabilitation. The growing population, the densities that are causing capacities in our sewer system to be outstretched and then regulations that make it even more critical that we don't have spills. And that we contain all of our utilities within their capacities. Again, a lot of the things that we are working on currently and that you'll see on the budget roll up into our program strategy, the thing on the top there the financing model is what is key. There is really two funding streams for our sanitary sewer program. One is the sewer service and use fee rate that you pay with your property tax every year. This goes into the rehabilitation of the system and we feel that that is at a satisfactory level right now. We do have a good replacement and rehabilitation strategy in place,

especially with the condition assessment program that we're working on. And then, the other part that we talked to you about last October is looking at the connection fee study that goes, and is paid by development, and allows us to build in capacity ahead of development. And that's what we are currently doing a master plan and modeling the preferred alternative of the general plan. And once we have the master plan in place, and know all the projects that are necessary to stay ahead of the general plan, then we will come back to you with the rate study and proposals to stay ahead for capacity, that are likely to be in the fall time frame. With that I'll go ahead and turn it over to Hans to talk about pavement.
>> Hans Larsen: Thank you, Katy and Tim. As Katy mentioned, the most significant issue that we have in terms of our infrastructure condition and backlog relates to pavement. And we have for just our pavement, approximately a $250 million backlog of deferred pavement maintenance needs. And as you'll see in our report, we continue to fall behind a little bit more each year with the exception of we had a couple of good years because of federal stimulus moneys and prop 1B funds, we've been kind of holding our own. We brought up this issue in terms of the lack of resources for transportation infrastructure maintenance as part of our transportation maintenance master plan, the TMMP, which we reported to this committee and council on in 2007 based on direction from this committee. We looked at a variety of different funding strategies in which we could deal with part of that. We've made some progress in terms of the landscape maintenance area by getting more of that moved to maintenance assessment districts. And we had done some polling previously in terms of whether we could generate two thirds approval of this. The results were, we didn't have enough public interest to tax themselves to generate more money for this and so we were focused on various techniques with landscape maintenance, tree maintenance and even pavement maintenance in which we might be able to craft a program in which we get 50%, majority support. We'd like to talk a little bit about sort of those funding options. So those options were presented to this committee in 2009. So I want to just provide a highlight of where we're at in terms of our funding resources. As I mentioned we have a $250 million backlog of deferred maintenance, that has already been deferred, and it has streets in the city in which theyer kind of beyond what we can do in terms of preventive maintenance. So generally streets that are in poor condition. And what we should be spending is about $40 million or $39 million to be precise each year to avoid getting further behind. And so you can see the dashed line on this chart, at the $39 million level. If you look back in the past and look ahead in the future we don't come very close to meeting that. We are in the fortunate period. This fiscal year, and generally the last two fiscal years in which we've had grant moneys from one-time sources of state and federal dollars that have given us a good program to kind of put us in a holding pattern. So the green line of ours there indicate one-time moneys, primarily from state and federal grants, prop 1B and federal stimulus dollars. The red line of ours indicate the City's local funding investments for pavement maintenance. And you can see that if you go back five years, there was based on the work that we did, an increased recognition from council to invest more in those areas and we did so through our capital program. The council also adopted a policy on taking half of the sort of ending fund balance and putting it into pavement maintenance. At you can see in fiscal year '07-'08 we did get an increase in money towards that, which was very helpful. But in the last couple of years as our economic conditions have declined, our ability to put capital money or General Fund money has also declined. So we are looking to the years ahead as a fairly bleak situation in terms of our funding investment. Where as you can see we're not coming anywhere close to meeting the $39 million annual funding just to hold steady. This is really the issue that we want to address formally with council on what we do about that. What does in mean to us in terms of our overall condition? This curve indicates sort of you are here in terms of the pavement condition. There's a scale of zero to 100 on pavement condition, referred to as the PCI, pavement condition index. And we are currently on an average for our system at a 64 level, so we've moved overall from a good to an overall fair condition. And what's troubling is that without investment, the steepness of the curve accelerates. And so we would kind of like to refer to this as the roller coaster effect. You climb up the roller coaster, if you're at the front of car you're kind of hanging there just waiting to go on the steep slide down. We're kind of in a holding pattern because of the federal and state funding. But looking in the next couple of years, it's a steep slope down with not sufficient investment. And you can see what's most disturbing is that the cost to recover from letting your pavement deteriorate increases dramatically. If you can, in a timely manner, provide preventive maintenance on a regular cycle can you keep your streets in good condition. If you let them go, the costs increase, initially three times, ten times more than that. And if you get streets in a failed condition, that require full reconstruction, you can see some very significant costs. And so what we're also illustrating with this is that without intervention of additional money, that if we project forward what we're forecasting now, within ten years,

our backlog from $250 million can grow three or four times greater than that. $750 million to $1 billion. The streets right now that we have that are in poor condition are about 18%. So the poor, very poor, fail, you add those up, 18%. Without additional funding resources, the amount of streets in that poor or worse condition would increase to 54%. So this is troubling. We do -- and this is the reason why we're raising this to the committee's attention, is it's not beyond dealing with. But we really see the next year or two are really critically important for San José from a policy perspective, to try to get a handle on this. Some other perspectives on this is, San José has the notoriety of having -- or California has the notoriety of being second worst in the nation. I think San José's biggest problem is that we are in the state of California and that there is not investment coming at the state level, as other states provide to their local jurisdictions. Even though, within California, we are rated second worst in the nation, just behind Los Angeles and San Francisco and Oakland are essentially the same as us. So a lot of the big cities in California are struggling with this. Older cities, cities that had their streets built in the '50s, '60s am '70s, '80s, these pavements are in need of significant rehabilitation. Within Santa Clara County, we have the worst conditions within Santa Clara County. Part of this is really the economics of land use, and you see the jurisdictions, the Santa Clara Counties, the Sunnyvales that are able to take better care of their street. It's really a function of they've got a lot more jobs than housing. Requires less streets to serve jobs than households and it's easier for them to use their own funds to take care of their streets. An interesting statistic that's been reported both in state and federal studies is that it costs motorists, it costs them to ride on rough roads. Because of accelerated wear and tear on their vehicles, need for front-end alignments and just their vehicles or buses or what have you get jostled around riding on rough roads. It's been assessed that that cost per individual motorist is about $700 a year. People are paying that cost because of deteriorated condition of their vehicles. The interesting thing though is that the amount of investment that it would take to have smooth streets is a fraction of that cost that's being incurred. So if people, if every motorist invested $200 a year they would actually be saving cost and avoiding wear and tear of their vehicles. Approximately what we call the 50 cent a day program. That's if every motorist invested 50 cents a day this problem would go away. How do we get there? Some of the leading concepts we've talked about in the staff report, giving the high cost of continuing to defer maintenance there is a case that could be made that if by using bond funding we could improve the condition of our streets it doesn't then take as much money to keep them in good shape. And so there is some benefits in looking at bond funding programs. I think our challenge though is what are we bonding against? Is there is so money out there in the future, is there, you know, ability to bond against it? One of the concepts that we looked at, as part of the 2009 report, was to try to create a property related pavement user fee. And this would be an approach in which it's kind of like a citywide assessment district where every property owner would pay for paying for pavement maintenance. Now, this is kind of a difficult program to put together. There are few or no places in California that have done this. But there are examples in other parts of the country. What you have to do is sort of figure out what the difference is between a nexus between direct property benefits as well as general benefits. And this is something that we would like to look at, a bit closer, working with our attorneys office to see if we could craft a program that would require a majority approval. The other thing that has gotten a lot of attention is VTA, and other CMAs within California have the ability to impose a vehicle registration fee. The VTA is doing polling right now based on direction from the VTA board, to look at a program potentially for the November 2010 ballot. The ability that they have is to impose a $10 annual vehicle registration fee. Now, to put this in context is we need about $200 a year from every motorist and this would be $10. And so it's -- every little bit helps but we need to recognize that doing that is not going to solve the total problem. We think that it's probably going to take not just one source, that's the silver bullet that addresses this but it's probably going to take multiple different strategies to really get a handle on this. I'd like to just close with our recommendations for next steps. Because of the significance and the implications of the issue, we're recommending that the council have a full study session on this topic in the fall. And if that's the direction that you provide for us, to do that, we would do preparation work between now and October to do the analysis on different strategies on what we could put together to deal with our pavement maintenance issue. And some of the things that we would look at are analyzing different strategies, making a recommendation, doing a work plan to poll the public in terms of what they may be willing to support, doing further engineering analysis, that would support particularly a property based program, and then lay out a schedule for an approval process for various different options. And so again, we're seeking direction to kind of go down this course of studying this further with the full council. And that includes our report on pavement and our overall joint

report with the Public Works department on infrastructure for the City of San José. We're here to answer any questions that you have.
>> Councilmember Liccardo: Thank you. Councilmember Herrera.
>> Councilmember Herrera: Thank you. Thank you Hans and as I sit on the VTA board I've been supportive of the $10 fee knowing that some of that at least will make its way here to roads. I'm also on the league of cities transportation committee and look at ways we can take positions to encourage state funding of this priority, since the league was part and parcel of putting out that report that really highlights the poor conditions of our roads. And I really appreciate your report. I'm very supportive of this moving forward to council and looking at ways I think to educate our residents about the extreme costs that we're going to face if we don't do the proper maintenance. 250 million versus a billion is certainly an eye opener and I think that we would get support if peep could know that the money actually would go to the roads and make a huge difference in the condition of the roads that they see in the city. I think there might be some support for some measures. That's just my opinion right now. Anyway I'm very supportive of this -- of your direction.
>> Councilmember Liccardo: Vice Mayor.
>> Councilmember Chirco: I just have a question, and it -- you know I think a study session is appropriate because the more we know the better decision making process we can engage in. But I think one of the most common complaints we hear as electeds is I pay my taxes, why should I pay more? As you look at these recommendations, I think part of educating our public is letting them know what is actually paid for by their tax dollars. Just to go out and say this will go for roads, you know, they'll say well I pay taxes for roads. But I think part of education component needs to be what are we currently paying for? What does that buy? And what do we realistically need to provide quality services in our community? So I would support here --
>> Hans Larsen: It's a great point, yeah. I think the education to both of your points is important, that people realize, through the economics of this and the costs of deferring it, but also, I mean, that's what we've heard too when we did the previous polling. The feedback was, yeah, we want better roads. But we feel that we already pay taxes, and perhaps, it's an issue of funding priorities. I think the reality is, is what the city gets in terms of our local dollars for pavement maintenance and other transportation services, is primarily -- the money that we get from the state from gas tax revenues. There is, particularly with what we're facing this year with the budget, there was -- is literally no city discretionary General Fund dollars that are going into pavement maintenance. It's mostly money that we're getting from other sources. So the money we're getting from property tax and utility tax and others primarily are devoted to police, fire, parks and libraries and very little is coming into transportation.
>> Councilmember Chirco: I think there's little tolerance for -- I was talking to a superintendent this weekend, and they have a bond measure. And traditionally in this area there has been a lot of support for bond measures, and they are very concerned. So here if the city goes out I think we need to look at not just telling people what it would do but why. And hope for the best. You know I'd like to be more optimistic but increasingly I think we have a skeptical public.
>> Hans Larsen: Yes. I think also as part of the work plan that we would work on between now and a fall city session some just taking the comments from the committee is public education and outreach component to it I think would be very important.
>> Councilmember Chirco: And not just at the city level but people know they pay their gas tamps. The gas taxes go to the state and where do the gas taxes go and the various funding sources that we use for this kind of infrastructure. Thank you.
>> Councilmember Liccardo: Thank you, Vice Mayor. Councilmember Campos.
>> Councilmember Campos: Thank you. On that note I think the other thing to add is that I think some of the data that you've worked on showing what it actually cost a motorist, sometimes you have to bring it down to home on what it's going to cost them. I don't think people routinely keep their receipts and at the end of the year add them up and see how much they pay on their car. People just go along. And break it down and showing them how you got to the 50 cents per day, I think people when you break things down it seems like less of an impact when you look at it from that perspective. Just on that note. And I would be supportive of the next steps. So I'll go ahead and put a motion to recommend that we accept the status report and to direct staff to move forward with the next steps, as you laid out in the report before this committee. And if there are -- and with that, to include any comments or direction from the committee that has been already stated.
>> Councilmember Herrera: Second.

>> Councilmember Liccardo: Okay, there is a motion. Any other comments? I just had a couple of questions. One on the vehicle registration fee. Has VTA staff indicated to our staff, I know the board hasn't taken a formal position, but has VTA staff committed that that fee money is going to go to streets and roads as opposed to other VTA needs?
>> Hans Larsen: Yeah, the VTA is working on a work program that they'll report back to the board on, is that if we did create the -- put together a ballot measure, part of that comes with -- there would be an expenditure plan that would be identified and showed to the voters on how we would use money. Yeah, we're working with VTA staff on developing that, and the majority of the funds would come back to the cities. And because not every city in Santa Clara County needs pavement maintenance money as desperately as San José, VTA is looking at providing discretion to the local jurisdiction whether they want to use it for pavement maintenance or traffic signal improvements or other things related to automobile travel, so they're providing the discretion. So I think that to a large degree, the way the program is being structured now, it's much of the money is returned to source.
>> Councilmember Liccardo: Without any strings?
>> Hans Larsen: With flexibility on how each local jurisdiction would like to spend it, within the limit of a nexus in which the funds are being collected for.
>> Councilmember Liccardo: That's encouraging although I imagine positioning it for the voters it would probably be important for us to be clear about what we want to be spending money on. But yeah. The question about sources, I know that obviously VTA is very high, as MTC is, on pushing a congestion pricing model. I know we're rolling out at the 237-880 connector and southbound 680 with congestion pricing mechanisms using those Fastrak transponders that generate some revenue. Is it anticipated that much of that money would be diverted to local streets and roads, or is that likely just to stay in the corridor for specific transit or roadway projects?
>> Hans Larsen: Well, that, yes, part of the VTA's development of their Valley Transportation plan 2035, they have as a policy commitment wanting to provide more regional moneys for local jurisdictions for pavement maintenance. And revenues from those congestion pricing, hot lane express lane programs can provide some money back to local jurisdictions. I think primarily the main thing is, you know, it would pay for the operations of the hot lanes. It would need to be reinvested back into the general corridor. So for the example of 237-880 because they've got light rail, they've got BART in those corridors that there's an ability to use some of those funds for transit. But I know in our discussions with VTA management, the concept of having some of that money go to pavement maintenance is out there and on the table.
>> Councilmember Liccardo: Okay, great. And then the last question was looking at the chart on street maintenance funding and status, in the materials, it's hard to tell, because I know it's in black and white, but I'm trying to understand where funding sources are appearing and disappearing over that time period. And it looks as though, from this chart, that the SAFETLU funding disappears -- I know we're in the reauthorization period now -- the SAFETLU money disappears, and then you've got a new federal bill source that appears in fiscal year 13-14. Am I right in believing that essentially there's no federal commitment between fiscal years 11 and 12?
>> Hans Larsen: What you're looking, this is in the chart in the staff report that we simplified for the PowerPoint presentation. What is being proposed right now at the federal level is that in year 10-11, you can see the -- so I'm going to refer to this one here.
>> Councilmember Liccardo: Okay.
>> Hans Larsen: In 10-11 they're looking at front-loading the money for local pavement maintenance. So essentially take moneys in 10-11, 11-12, 12-13 and front-load it to local jurisdictions in the ten-11 year. So kind of look at this one here. You can see a high bar in 10-11 and then nothing 11-12 and then we've assumed that you know there will be additional moneys out there in the future. And so that's how we've estimated it. But right now there is work, I'm trying to preprogram a new increment of new federal transportation dollars that go to local pavement maintenance.
>> Councilmember Liccardo: That's a long dry spell without federal money.
>> Hans Larsen: That's right. Yes. Certainly we support -- yeah, okay, so it does show up here. We support the idea of front loading, the more money you can apply to pavement maintenance earlier, you reduce the level of deterioration that occurs so that logic is there but it does leave us with some dry years that follow that.
>> Councilmember Liccardo: Okay, well, thank you very much. Are there other comments? We'll vote on the motion. All in favor? None opposed that passes unanimously. Now, are we keeping all the way to -- oh, no, we're going to 7, amendment on airport master plan. Dave, Bill.

>> Thank you, Mr. Chair, members of the committee. I'm David Moss, deputy director with the airport department, and with me is Kerry Green, senior planner with the airport department. And we'll be reviewing with you this afternoon what we're calling the nonterminal area improvement program and a proposed master plan amendment. Some of the background on this issue, by the end of this fiscal year, the majority of the work on the terminal area improvement program will be complete. So the city will have convenient and modern facilities for the public to use and the airlines rental car companies and other concessionaires to operate. But a world class airport has more than just world class terminal facilities. It has world class facilities in other areas of the airport. And so we are proposing a nonterminal area improvement program that's focused on addressing those needs outside of the passenger terminal zone and those needs are note on the slide. Primarily demand for convenient customer parking that's closer to the terminals, need for renewal of aviation support facilities, there's interest in use of the west side lands, and most notably increase in demand for facilities serving business jets. The projects included in the NTAIP are generally categorized in four main areas. The first is relocation of long term public parking from the West side of the airport to three new conveniently located surface parking lots in the passenger terminal zone. The next is to redevelop the land from the long term public parking on the West side of the airport for general aviation use and to redevelop the general aviation area in the southwest corner of the airport both through leases to private operators and I'll just stop here and explain what general aviation is. It is basically anything that is not a commercial carrier that you'd buy a ticket to fly on or an all-cargo carrier that you would ship a package on. Anything else in between is general aviation. That can be anything from helicopters to single engine propeller recreational aircraft all the way up to really large business jets like a Boeing 737. For example, a whole range of different kinds of aircraft. We're also including construction of a new taxiway whiskey to support the operation of the west side of the airport. And the last component of the program is to redevelopment the hangar area in the southeast corner of the airport and the former rental car support area in the Northeast area into aviation support facilities. So what's it going to cost? You know the T.A.I.P. was primarily financed by the city. We see the cost of this new nonterminal air improvement program would be limited to doing site preparation and utility work necessary for private developers to come in and develop facilities. The exception to that is that taxi way whiskey project, it is a project the city would take on, about $50 million right now, we see that being funded primarily through FAA grants, as they become available. That is the highest grant we approached the FAA for so we'll be moving forward with that project as those grants come in. But the majority of the investment we see coming from private sector facility developers would be selected by competitive RFP processes. So in terms of implementation there's some things we can do now and some things we need a master plan amendment for. The projects that we can do now, that we have existing authority under our currently master plan, those parking projects those are funded and currently being designed. Some should start construction fairly soon and be ready by the time we open terminal facilities. The request for proposal for that general aviation area in the southwest corner of the airport is currently being drafted and there's planning, the planning for the rehabilitation of those aviation support facilities, in the southeast and Northeast parts of the airport will happen over the summer. The master plan though currently designates the west side of the airport where that public parking is, for air cargo use. And just to hit another term, air cargo is essentially a, you know, aircraft activity where you're mainly hauling packages. Not buying a ticket and flying on an airplane like you do on the commercial side and not general aviation. We've put an RFI out to gauge interest from the air cargo industry to gauge what interest there is in developing the land over there. Really didn't get much of a response. Converse to that we did quite a bit of interest from private developers that would come in and develop more what we call fixed base operators kind of like Atlantic Aviation that is out there now, because there is quite a bit of interest in higher end general aviation. So we took a look at our forecast to see what that would reveal and went through and basically got a confirmation of that. And I'll run through that as part of this presentation. Just in terms of the benefit of going ahead and developing west side land for general aviation, we took a look, high level very theoretical study of the economic benefits of developing that land, that former parking on the west side of the airport. To take a look at what kind of benefits those would be, they're shown here, again it's very high level. It's theoretical but I think it shows that we're not talking about 100 jobs, we're not talking about 10,000 jobs but we're in the thousands of jobs kinds of levels. We also want to take a look at what the tax benefit would be to the city and what the revenue benefit would be to the airport. And those are shown on the slide here as well. The $4 million in additional airport reasons to the airport in terms of fuel flowage and ground rent for the developers but the city also gets a tax benefit in terms of the property tax that is accrued to the city for based aircraft that are there. And

that's roughly that $4 million is roughly about what the city benefits in taxes today from the general aviation facilities that are there. So that feels like a pretty good number in terms of looking at the future development. If we look at a comparison of the forecast activity from our existing master plan, that's the column shown in left titled 2017, and we take a look at our current activity from 2009, you can see that we're pretty much not on track to achieve the kind of passenger activity and other activity that we forecast in the master plan. So when we took a look at the new forecast, that's what's shown in the fire right-hand column. We used that 17.6 million annual passengers is what we call the horizon year. And so what our forecast is showing that is that we're really not going to get to that level of passenger activity until 2027. We also took a look at what the other activity would be in terms of cargo tonnage and cargo operations and general aviation based aircraft and operations and so forth. And you can see that those numbers are all less, particularly cargo operations, which are far less than forecast. And even the general aviation operations which are less, but we're finding less based aircraft but bigger aircraft than was previously forecast. So what the important metric to consider, though, and we look at overall operations and if we had to boil down what 2027 looks like compared to the 2017 forecast, we're really looking at about 180 fewer operations per day than we had originally forecast. To put that in perspective the forecast is about 900 -- the 2017 forecast is about 900 operations a day. That's really about 20% less. As a result the environmental impacts that are noted on the slide will be the same as or less than those addressed and mitigated in the EIR. And accordingly, based on that, the Planning Department has issued an addendum to the master plan EIR. So that has already been issued. Noise is always of particular interest, in terms of one of the impacts that the airport has. And so I just have a couple slides to show what the noise impact reduction would be. If you go ahead and hit the next slide. What the blue line is the 65 CNEL forecast in the 2017 master plan. When we reforecast based on the 2027, it's the red line. That red line is about a thousand acres less, in other words, a thousand acres less land will be located within the 65 CNEL. And just as kind of a reference, that 65 CNEL, it is the California standard for the average noise where you have to take some kind of action for it. Our acoustic treatment program was based to treating to the 65 CNEL. So you can see there's quite a bit of reduction in terms of forecast noise activity based on the forecast. Now, in terms of the master plan update, that's driven by all this data, it really needs to consider two things. It's needed to incorporate the revised activity forecast because they are less than originally forecast and further out. And to redesignate land uses for the air cargo and general aviation. And specifically, it will extend the master plan horizon from 2017 to 2027, so it pushes it out ten years and designates up to 28 unacres from the current 53 we have in the master plan for air cargo, and that would be on the east side of the airport. But it allows up to 100 acres from the current 56 we have to accommodate general aviation on the west side of the airport. So we're basically allowing for some -- accommodating the air cargo on the east side of the airport and accommodating the general aviation demand on the west side of the airport. So we've been at this a while working through the program. The process to reach out to stakeholders has been ongoing since January, with outreach meetings to interested community groups, neighborhoods around the airport, the general aviation community, and those are all noted in the report. We did go to the airport land use committee in March and at that meeting we held a hearing and they found the proposed amendment to be consistent with the ALUC plan. And both the airport commission and the Planning Commission have held public hearings on the dates shown and have recommended approval of the amendment. This is one of those steps coming to the transportation and environment committee and we'll actually be going to the Community and Economic Development Committee on the 24th here at the end of the month and we anticipate coming to council for approval of the master plan amendment in early June. So with that I've gone kind of fast, I know I've given kind of a high-level view of what the N.T.A.I.P. is and a proposed master plan amendment. These are documents that are listed on our website that have been there for the public to refer to. They are the master plan EIR and addendum, the demand forecast update and the facility requirements update. So all the base information for anyone that's interested to get in more detail about the studies. So with that, Kerri and I are available to answer any questions you have.
>> Councilmember Liccardo: Thank you, Dave. I'll be leaving unfortunately I have a commitment but I think my colleagues may have questions and I'll turn it over to vice chair Campos.
>> Councilmember Campos: Are there any questions?
>> Councilmember Herrera: I was just wondering if we -- I didn't see a copy of this in our packet here, the slides that you just -- that you just went through. I was -- it would be helpful if we had a copy of that.

>> I can forward you all copies. There may have been a mixup with the liaison in terms of the process. I'd be glad to forward you copies of the presentation. We're also posting these for the community so it will be on our Website as well but I will forward these to the community.
>> Councilmember Campos: Any other questions? Vice Mayor?
>> Councilmember Chirco: No, just same question Rose had because it was hard to keep up with you on -- because there's a lot of detailed information in there.
>> Okay.
>> Councilmember Campos: No other questions? We just need a motion on this.
>> Councilmember Chirco: I would move to accept the report.
>> Councilmember Herrera: Second.
>> Councilmember Campos: All those in favor? Opposed? That passes unanimously. Thank you for the presentation.
>> You're welcome.
>> Councilmember Campos: We're on the last item I believe on the agenda. And this is the proposed private sector green building policy update.
>> Laurel Prevetti: Thank you. My name is Laurel Prevetti, assistant director for our Department of Planning, Building and Code Enforcement. And with me this afternoon is Katherine Sedwick, our division manager in charge of building plan review, and Jenny Nussbaum, our green building planner. We want to just give you a very brief overview about a new state law that goes into effect January 2011 and the implications that it has for the City's green building policy. We intend to do further public outreach this summer, and into the fall, before making any specific changes to our green building policy, and we just wanted to get your input in terms of an approach to that public outreach. The key question is, whether that outreach should be general, in terms of open-ended, or if it should be targeted with a particular staff recommendation. We know there are people in the audience who have comments and who wish to address this. So I think in the interest of time, let me just bring your attention to the cover page of our memo which identifies what those -- the recommendation is. Our recommendation is to essentially acknowledge that the phasing-in of the mandatory requirements for all new buildings should align with the new state building code called Cal green. And that we would recommend deferring phasing in certification requirements for any building remodels or additions until a later date. Let's see how the new state code operates and then we'll be happy to phase in some additional green building requirements after that. So again, that is on the recommendation on your agenda as well as on the cover page of your report. And with that, I'll conclude staff presentation, because it does look like you've got a fair number of cards.
>> Councilmember Campos: Thank you.
>> Laurel Prevetti: And we are available if you have more questions for us.
>> Councilmember Campos: Thank you and I'm going to go to the public speakers if that's okay. And the first one is Gail Price. And as you come up, you have a little note here. So you said you have -- there is three reps after you if you could just read their names so I can make sure they go right after you when you come up to the mic. Okay so the cards got mixed up. Gail, who are the three people after you that will be followed by you?
>> John Diffendorfer. Hari Sripadana, and Sam Sanderson.
>> Councilmember Campos: Sam Sanderson. And who was the other one, I'm sorry? Hari?
>> John Diffendorfer.
>> Councilmember Campos: I have him. Let's see if I have this one right.
>> Hari Shripadana and Sam Sanderson.
>> Councilmember Campos: Okay, got 'em. You have two minutes.
>> Thank you. Good afternoon. My name is Gail Price. I'm executive director of the American institute of architects Santa Clara Valley. AIASCV has 600 members throughout the county who are architects, design professionals, contractors and affinity partners. Our organization is the voice of the architectural profession and service to society. I have submitted a letter from AIA Santa Clara Valley and I will give it to you again. You received it by e-mail and fax and I have hard copies with me. AIASCV supports the ten Green Vision goals of the City of San José. You are to be commended for your leadership in this area. As professionals, advancing the goals of sustainable design, through our practice every day, we strongly supported the original adoption of the private sector green building policy and ordinance, to establish green building regulations for private development. And we want to acknowledge the high quality professional work that went into the development of those results. We appreciate the opportunity to make

comments today about the proposed changes before you. I have with me several architect members of AIA Santa Clara Valley who would like to comment on the item.
>> Councilmember Campos: Thank you. I think John is the next person, thank you.
>> Thank you. I am Hari Sripadana. John will be following after me.
>> Councilmember Campos: Okay.
>> I want to briefly say what's at issue here in simple terms, because of a lot of acronyms and technical words here. I'm an architect, I'm on the board for AIA Santa Clara Valley chapter. My own house is one of the first few LEED gold certified houses in the Bay Area. As professionals who are intimately involved with this sustainable design who understand the process of how sustainable design is built we'd like to offer input into how we want to implement these policies. We support as Gail mentioned we support the City's goals we support all the segregate achievements U.S. green building council has done, Build It Green all these organizations have spearheaded to make this process a sustainable design to mainstream the design process. The question here is, how do we proceed in light of the U.S -- in light of the Cal green code? Cal green code is the new green building code that California has passed to implement sustainable design measures. And everybody has to implement them. San José has already had a follow towards how they want to promote sustainable design. And as one of the proposals that we had concerned before, you had Build It Green as well as LEED or U.S. green building council, as systems to be mandatory to evaluate green building design. These two systems are voluntary systems, as I've done myself, these are for people who want to do sustainable design. They're meant to be voluntary systems. To turn them around and to want to make them a mandatory process is unreinforcible. Because there is no language specifically there, there are no teeth there to have them implement sustainable design. Whereas Cal green is basically written to enforce sustainable design measures. So we want to make the distinction here in how we want to implement them. We want -- we urge you to leave U.S. green building council's LEED system as well as Build It Green system as voluntary measures to implement, to incentivize and have people do it voluntarily and those people who want to proceed, follow through on this process can do so because they also have the publicity they also have the incentives of going through this process. But the actual implementation of sustainability be left alone with Cal green implementation which is specifically designed for implementing this process.
>> Councilmember Campos: Thank you, your two minutes are up. Thank you. Then I believe is it Sam the next?
>> No, I'm john. We're here to confuse you.
>> Councilmember Campos: Is it Sam after you? Okay.
>> Okay. Good afternoon, my name is John Diffenderfer, I'm an architect practicing here in San José and also the chairman of the committee on the environment for the AIA Santa Clara Valley chapter. As my mission at the AIA is to really integrate and educate the industry and the design profession to bring the buildings that we design and the environment into closer integration, sort of promoting the interests of the environment within our profession.
And with that in mind I mean really anything that you guys are doing as far as the application of green policy is -- we wholeheartedly embrace that and we see that as really moving the ball down the field and that's a really great thing. And with regards to the specific recommendations on the memo between the staff recommendation to adopt both the -- both the LEED and Build It Green standards as a requirement in addition to implementing the Cal green standards that it's really, we kind of see this as an opportunity to create a real hardship on the development within the community. I mean it's one thing to do LEED as a mandatory measure but also we're all going to have to learn how to do Cal green as well, and I know we're all looking at this together. It is a brand-new code and it is not a perfect code by any stretch. Your own recommendation, your own report suggest there is going to be a fair amount of reconciliation of these two parallel tracks. And to ask our developers and our clients in developers and our clients, you know, developers in the community to sort of do both at the same time, is going to be very difficult and imposes a fair amount of costs, you know doing a LEED project can add five to 40% on the design profession side on the design cost of a particular project. That aren't necessarily there if you're following sort of local policy, you know, at the ordinance level. So to put it in a nutshell we really love green buildings, we want to do more of them, we see Cal green as a great opportunity to build on Cal green to bring them into coordination with the Green Vision, and I'll stop. Thank you.
>> Councilmember Campos: Thank you, John.
>> And I am Sam. [Laughter]
>> Sam I am.

>> In person. Hello, I'm another local architect and I'm the treasurer of the AIA Santa Clara Valley chapter. Thanks for having us here. Just wanted to give you my personal experiences having worked on LEED projects and currently working on a Cal green project. So last year I completed a large million square foot LEED gold project. And learned quickly the time energy expense that it takes to document and submit a LEED project. I mean I think if you tracked my hours it was literally months of my time dedicated specifically to documenting and submitting the LEED project. So I would suggest, you know, obviously most projects aren't million square feet but the submittal and documentation process is still the same. So that is something that our clients and the city does have to be aware of that. It is quite a labor-intensive process to go through LEED. And then currently right now I'm working on a large retail project in the East Bay and that city is actually adopted the 2008 green -- Cal green. And they've just selected a few small codes from that Cal Green and had me kind of enforce you know kind of they've enforced those codes on myself but they quickly realized that they didn't really understand the codes very well. And there's sort of a learning process on their end and actually asking me for assistance and I've been helping them between the two of us successfully understand what these codes are. There is kind of a cross over, the building department has their very specific lists that they're used to after all these years in the planning department. All of a sudden the Cal green it tends to kind of cross over. Now building department's dealing with issues that they never had to deal with, planning used to deal with them, and so just kind of stating that the state, counties, cities are all going to go through this growing process next year and having both systems combined could be quite a burdensome task of the city, you know even if LEED is off over here and being certified by the GBCI, there's still, you know, there's still going to be this learning curve by the city to be able to juggle both of these processes together. So I just wanted to kind of throw out my personal experiences having dealt with them.
>> Councilmember Campos: Thank you, and we have Steve Stenton and then is it Chrisand Giles?
>> Giles.
>> Hello, I'm Steve Stenton. I represent the U.S. green building council, Northern California chapter. I'm also a resident of San José and I'm also a practicing architect in the area. So I'm really here to bring a few questions for you all to kind of ponder. You know, I guess I should start off with the fact that I applaud the fact and the U.S. green building council commends what the City of San José has done in terms of being a national leader in sustainability, green building policies specifically as well.
What I'd like the ask you, though, is what's San José's definition of a green building? It's a rhetorical question because you have it listed you know clearly in the requirements. For commercial projects it's a building or you know whether it's commercial or industrial over 25,000 square feet and it has a requirement of LEED silver. And the City of San José the requirement is, that it be certified through the GBCI. So the question I guess for you all is, is the definition of a green building going to be changing with Cal green? Or is the intention here again kind of another rhetorical question that you still intend to be leaders not only in the nation, but globally? And there is, in your Green Vision, your 15 year Green Vision for 2022, there's ten items listed, and of those, there's quite a few that relate to, you know, the energy reduction, power reduction, or use of receiving power through renewable sources, diverting, 100% of waste, recycle, or reuse, 100% of the wastewater and so on, so forth. So the question is, if your intention is to be a global leader, with Cal green that is going to be a mandatory requirement by the state of California, is the intention to, you know, just meet code, you know, is the intention to be one step above being illegal, or are we planning to be in San José, are you planning to be global leaders? I quote here in your Green Vision, I say in our Green Vision, because I'm actually a resident as well. We are a national leader in adopting and promoting practices that improve the quality of our air water and that conserve land soil water energy and ecosystems to achieve our Green Vision, we must go farther. We will become a global leader in energy efficiency, renewable energy, green building, water conservation and waste reduction.
>> Councilmember Campos: And your time is up. I let you finish that sentence. Thank you.
>> Thank you very much.
>> Hello, thank you. My name is Chris Ann Giles, I'm with the building industry association and I appreciate the opportunity to comment today and the initial outreach that was done by staff with the building community. We can appreciate the City's desire to reach beyond the recently adopted state code but we would request that we first learn how to comply with the new Cal green measures. The code requirements before ratcheting up any mandate prior to its initial implementation. The housing industry can't get projects to pencil now. The ramifications are going beyond the Cal green code will further constrain financials to plan new projects in San José. These changes are not being considered in a

vacuum. As your agenda clearly illustrated today, San José has approved or is considering policy and fees with the cumulative impact on housing. The cost to comply with storm water, the municipal permit, construction general permit, fire code, sewer fees, water supply, inclusionary zoning, HCP, LED lighting, energy efficiency, and a general plan that proposes an urban limit line on transit corridors and prescribes not only where we can build housing but when, and today we even talked about a pavement fee. So meanwhile the pent up demand for new housing continues to grow in San José. It's only being masked by our high levels of unemployment. The median home price in San José has risen 29% from our 2009 low and local rents are up beyond the expected cost of living index. To succeed in San José we need to measure our green goals against our current market reality. We can get there, but we must be considered in the context of the cumulative financial burden these policies have on housing production. Other Bay Area markets supporting infill and increased densities have waived ratcheting the green code beyond tne new requirements. San Francisco Sacramento and most recently the city of Oakland. Let's learn how to apply the green code before reaching beyond what we have yet to fully understand. Thank you.
>> Councilmember Campos: Laurel, did you want to add anything about that?
>> Laurel Prevetti: Yes, thank you very much. If we could just advance to slide 3. Just a quick reminder to the committee that we do have existing current policy as it relates to green building as one of our speakers mentioned. So for those in the audience who may not be familiar, we already have these parameters in our policy, and what we'd like to do over the next couple of months is really understand how our existing policy will be interacting with the new state building code that goes into effect in January. So with that, again, we would like to pursue that outreach, so that way we can come back to you in the fall with a more substantial set of recommendations. Because of the state law, one way or the other, we do have to modify our policy and our ordinance so that it is consistent with state law. But there is more discussions that we would like to have with our stakeholders. Again, I've got experts with me if you have more detailed questions. Thank you.
>> Councilmember Campos: Are there any questions? Vice Mayor.
>> Councilmember Chirco: The recommendation is two part, which is move up phasing and mandatory requirements for all new building, and the other is to defer phasing in. And it looks like this is to come back in fall of 2010. Does that give you enough time to do, as you just outlined, where you can gather more stakeholder input?
>> Thank you. Yes, we are required to adopt the state of California green code mandatory requirements to become effective in January 2011. So we're going to be doing outreach on that just to legality stakeholders who have not been affected previously by any kind of green requirements know about the new code requirements. And additionally concurrently we would be exploring options for aligning our policy with the code in a way that would be most complementary for people to implement green building.
>> It might help if I could explain what Cal green, how Cal green might relate to this right now. Is it not on? Oh. Okay. Everybody's been talking about the January 1st, 2011. That will -- when Cal green comes into effect it will affectal new buildings constructed within the state, actually, because it's statewide. The last slide you saw had threshold limits for square footage. Cal green will apply to all new homes, all new buildings. There is no threshold limit like you saw on the last slide. That's one major distinction. It does however share some of the similar measures with the green point rated system and LEED. Energy efficiency, water efficiency, construction waste reduction and recycling, ongoing operation and maintenance of building systems to optimize their operation, and then, indoor air quality as well. Those are the things that shares with those two systems that we currently have, or yeah, rating systems we currently have in effect. Green -- Cal Green also has -- it's a three-tier system. The minimum is mandatory. There is a tier 1 and a tier 2 which are a little stricter. And we can adopt those tiers, we can ratchet it up if the city wants to. But to go above that we would have to prove through climactic reasons, topographical or geological, that our location would require us to adopt something more strict on that.
>> Councilmember Chirco: So there is actually a limitation on what we can put in place?
>> A limitation in terms of -- we have to adopt the mandatory, minimums. That's something that all jurisdictions in the state will adopt.
>> Councilmember Chirco: But it also sounded like there were two additional levels that could be adopted.
>> Yes.
>> Councilmember Chirco: And if you wanted to exceed those two additional levels, you had to have some justification.
>> You had to make a case, correct.

>> Councilmember Chirco: So Laurel, how does that mesh up with one our Green Vision and the goals as outlined in that?
>> Laurel Prevetti: We had to make a case to the California energy commission with our original green building policy that's current in place because we went above the energy code that the state of California has. So this is typical procedure for communities that are leaders in the green building field and it is work that we already did. So now what we have is, we weren't anticipating a new state of California green code. But now that it is here, we want to make sure that we're reconciling with our own policy, and making sure that San José continues to be a leader while balancing the needs as you heard from the audience speakers that we wanted to make sure that our building industry is strong, the requirements are clear and that we have consistency through the subregion. We are working with other cities within Santa Clara County so that way builders within our general region have a similar set of requirements. So that is really the work ahead of us, and because of the January 2011 deadline for Cal green coming online we have to do this work now and we need to come back to you in the fall.
>> Councilmember Chirco: That is my next question, you would be coming back with this reconciliation. I have no desire to lower our standards but I do want to see how you can reconcile them, and maintain San José with its high standards and its leadership role that it has assumed. And especially as we look at our general plan task force and all the work that's being done there.
>> Councilmember Campos: Councilmember Herrera.
>> Councilmember Herrera: I appreciate the staff's work on this and I certainly am, I have to say, proud of San José's leadership in the Green Vision and in establishing the standards that we have in LEED certification of buildings. I have a lot of questions about what's in front of me, and I'm concerned about some of the feedback that we've heard today, and some of the -- both in person and by e-mail. And I just want to make sure I understand some of the concerns. So can you -- can you help me understand, Laurel, what would be -- can you contrast what you're proposing, what staff is proposing with alternative 2 in the staff recommendations?
>> Laurel Prevetti: Well, the staff recommendation part A is just simply moving up the phasing in of mandatory requirements. So that way, it is consistent with the state building code, with the state Cal green. We have no choice in that. It's really, this is the state mandate. We have other recommendation -- a second recommendation with respect to phasing in other certification requirements. But I think what's important today is that today we are not adopting a policy. Today we are not recommending specific language. We put forth some ideas that we would like to test during the outreach and those ideas are contained in the memo. As you can see, it is very complex. We have some stakeholders who we know are already concerned that San José is a leader and that we have the existing policy and ordinance in place. And so we respect that view but we also respect the fact that our council did put those items into place, anonymous with the new state requirements we want to just understand how can San José continue to advance its Green Vision, recognizing now where the state is. So I think again, in the interest of time, we ended up putting a lot of detail into the memo to be transparent about our thinking. But at this time we don't have a specific recommendation in terms of how those parameters should exactly be changed. So if it's the interest of the committee, we can come back next month, if you want to really get into it. We would also invite you to join us at our outreach meetings so that way, together, we can learn and understand. And again, staff is also available offline, as your time might be interested to go through the details. But what I'd like to let you know is we would like to do outreach and any recommendations or guidance you have for us as to how to conduct that outreach, we always look to your guidance.
>> Councilmember Herrera: Laurel, I think I liked your suggestion you just made. I just want to know if that would encumber staff in any way or flood on your efforts? I'm just in favor of more outreach and I want to hear the points of view from all the stakeholders. I'm also very concerned about how we integrate the new state regulations with our only. What I wouldn't want to see is to create a more cumbersome system that's going to unnecessarily burden those that are trying to do projects in this community, while keeping our Green Vision in mind. And I would like to make a motion if my colleagues would support me here, to move this forward with, as you're suggesting more outreach on these various alternatives and come back.
>> Can I ask a question? The -- normally the direction to staff on preparing draft revisions and updates would actually be cross-referenced onto the council agenda. So I wasn't sure from this language whether you were intending this to be cross revenued onto a council agenda, many the normal report-out or as you sort of stated previously, guidance by the committee ant that it would not be coming back until it comes back to the council in fall of 2010.

>> Councilmember Herrera: I think I'm asking it to come back here and I'm waiting for a second.
>> Councilmember Chirco: Clarification on the motion. Is this -- because as I understand what Laurel said, there's an reconciliation and an outreach component. Is that when you would like to come back?
>> Yes.
>> Councilmember Chirco: I think that's appropriate. I would second that motion.
>> Councilmember Campos: Laurel, I just wanted to be sure you are clear on the motion, and that that meets the time line that you're working with.
>> Laurel Prevetti: Yes, thank you.
>> Councilmember Campos: So with that, all those in favor, anyone opposed, so that passes unanimously. Thank you. So with that, the last item is open forum. Is there anyone in the audience that would like to address this body? If not, thank you, and meeting adjourned.