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>> Councilmember Liccardo: Get this party started. Good afternoon. We'll call to order the meeting. And if you would be so nice as to step in.

>> Ed Shikada: Get some improvisation, until our Clerk's office guess organized. So I'll call the roll. Sam Liccardo, here, Nora Campos, here, Judy Chirco, here, Rose Herrera, here, all present and accounted for.

>> Councilmember Liccardo: Gang's all here. Let's go to Item B, the review of the work plan, there is an item on the sanitary and storm sewer collection system recommended to be deferred.

>> Ed Shikada: That's correct, Mr. Chair, that's the only change on your agenda today.

>> Councilmember Liccardo: I'll entertain a motion.

>> Councilmember Herrera: Motion to defer.

>> Councilmember Chirco: Second.

>> Councilmember Liccardo: All in favor, none opposed, that passes. Consent agenda, there is nothing on the consent agenda. We'll go on to reports to committee. These are all oral reports. Let's start with item 1 the storm water permit implementation. Hi, John.

>> John Stufflebean: Good afternoon, John Stufflebean. Environmental Services. We've been talking about the stormwater permit for a couple of years now, and it is now in effect. So we are here to tell you kind of what that means, what are the major issues, major programs we have to implement, major changes, and Melody Tovar, deputy director in watershed protection will be making the presentation.

>> Good afternoon, I'm joined today by Elaine Marshall, she's our stormwater program manager. So as John told you, we are finally here with an actual permit. The permit has been about four years in development, and so we wanted to give you some highlights with the resulting permit we wrapped negotiations. So storm water remains a significant and in many cases the largest contribute to pollution in our waterways including the bay and similar estuaries. By minimizing pollutants that get into our storm water and therefore our creeks. And really doing our best to ensure that nothing other than clean rainwater enters the system and the creeks. It was effective December 1st, adopted just 45 days before that, and it's normally a five year permit term. Our last one was administratively extended, that may happen again but generally a five year permit term. This permit is a very different. This is a stormwater regional permit from municipalities here in the Bay Area. It replaces --

>> John Stufflebean: That better?

>> Maybe. It replaces about five or six county wide permits that previously existed in the Bay Area and it covers 76 municipalities that discharge stormwater to san Francisco Bay. San José is just one of those 76 permittees but we are by far the largest. Our population is about one in five of the population covered by this storm water permit. Just as stormwater can come from a broad array of sources, the required programs to protect stormwater quality are also quite diverse. They include listed here programs that direct the city services in a way that supports water quality protection. Whether it be our enforcement of local regulations, how we do our own operation and maintenance on routine city business, or how we regulate the building and rebuilding of the environment through new development. It also includes programs that address specific pollutants that are important for stormwater quality protection, high priorities like trash, pesticides, mercury and PCBs, and it includes programs that underpin all of our efforts, public education always, and we do water quality monitoring to evaluate over time about the effectiveness of our efforts. Today we wanted to highlight some of the most critical elements for implementation here in the first year. We are hoping to give you today a context for the breadth of the permit but also the specific items that will have some implications for policy direction down the course of this year and also for the budget processes. Starting with municipal operations, again in general this is about how our daily operations need to be done in a way that protects water quality, in short how can we do things and still keep chemicals, pollutants and dirt from entering the stormwater system, which often means keeping them off of paved surfaces. Very new to this permit we will be monitoring actual water quality from our storm water pump stations. We have 12 pump stations in San José that discharge to the creek located mostly in north San José and in this case we'll be monitoring dissolved oxygen and needing to take corrective action if we find that the levels are out of a specific range. Dissolved oxygen is basically oxygen that's in the water, it's critical for good water quality, it's very essential for any living organisms in the receiving water. And so it's important that we are not reducing the amount of dissolved oxygen in the receiving water. This idea that we're going to monitor water quality and need to take a corrective action if we fall out of range is a noteworthy move in how storm water is managed and regulated. If we look at the continuum on one side it's been program activities and how well we do the

programs that we do. That are our mark of success. If we look at the other end of the regulatory continuum it is much like our water pollution control plant where we have an effluent that has to meet specific numeric triggers. It is you do have to do something different or better if you find yourself oops out of range. That is the case for our storm water pump stations. For that reason, it is really hard to scope in scale what corrective actions are going to look like right now, because we haven't done the monitoring. We will learn much more of this next year. This requirement takes effect next year. More broadly on our municipal activities we're doing best practices at maintenance, at yards, corporation yards, road maintenance, at parks when we're doing anything on the street, really best practices for bridge and structural maintenance where it crosses a creek or rural road maintenance such as in a park that has roads adjacent to a creek are given special attention in this permit because of their proximity to the creek itself and the sensitivity. In new and redevelopment, this permit includes requirements as the old one did, and the one before that, to install treatment controls within new and redevelopment projects. So it's not entirely new but once again it has been expanded. And been given some new nuances that are a high priority for us as we're moving forward. One is the use of something called low impact development. Low impact development, it's a term of art, it's used to describe treatment control techniques that mimic the natural hydrology of a site even though it's built out. Here we show it includes capture and reuse of the rainwater, includes infiltration of the groundwater, down into the ground, potentially the groundwater, evaporation or bioretention which would be going through a landscaped area and eventually draining. The definition of low impact development is not owned by anyone and it is evolving over time. In the regulated community it is highly regarded as the preferred path for stormwater management from new developments and is becoming increasingly prevalent in California permits here Southern California it's high high high on EPA's list for what they want to consider as they're looking at nationwide regulation of tomorrow water development from new development. Low impact development in this permit includes bioretention only when the other things are infeasible and we have an opportunity to work with the board on what kinds of circumstances we think merit bioretention. The preference really is that you reuse the water, or that you infiltrate it into groundwater. These are not easy things to do and they're not well tested in this area. They may not be ideal in this climate so we'll be working with the water board on this. In short these requirements become effective in 2011, 2012 for public projects and they mean that the number of projects that will be required to install treatment controls is growing. But the tools that we're allowed to use to meet those requirements is shrinking so we have some concerns in that area. In this area we're concerned how we'll balance our broader macroscopic goals, with these broader requirements. These projects may not be compatible with our higher density infill redevelopment transit oriented strategies which we feel confident have a broader environmental and water quality benefit. We have the opportunity in the permit to propose that such special project categories are given greater flexibility. That's not determined yet, it will be slightly uphill to get where we think we need to be, and we will be working hard with our regional partners and with the regulators to shape this requirement through required studies. Those required studies and proposals in the permit that are due in 2010 before the requirement becomes active in 2011. So we've talked about managing treatment, to arrest storm water pollutants in rainfall runoff. Sites are also required in some areas to manage the flow from stormwater. With more paved surfaces rainfall runs at a larger volume and faster. That's called hydromodification, collectively that can increase erosion in the creek affecting habitat and adjacent properties. We've had a base requirement to address hydromodification in our permit from the last round but our threshold from the project size was much, much larger. But now in this permit the threshold goes down to one acre, and the geographic areas over which it applies have grown, so more projects will also need to address flow. On a project site what that means is the kinds of things that you will do like a bioretention area will need to be larger. Or will need to do underground vault type systems on a project site or come up with more regional alternatives. You have a map, if you are interested in the fact sheets there is a map of the areas that geographically are addressed by this provision that's generally to the South in San José and to the East in the less developed areas. That becomes effective December 1. You will see policy action to make it more formal in the coming months in the council. Also in the coming months it continues that we have to inspect these stormwater treatment controls as they are constructed to make sure they're built correctly and that they work. We also have to inspect them over time to ensure that they are maintained, to work over time. As these requirements apply to more projects and as development matures, our inventory for that workload just increases so we'll need to manage that. And lastly when it comes to street runoff, the permit includes a provision where region wide amongst all 76 permittees we need to permit ten what they call green streets projects. These are pilot projects at this scale. During the permit development this was

actually envisioned to be a much broader requirement and we successfully negotiated it down, indicating these are difficult to do and not well tested so we're doing pilots to start this round. So ten Bay Area wide two here in Santa Clara County. In short a green street is a street that takes storm water runoff and instead of going down the street into a curb goes into a landscaped area or another type of pervious area, here that is a bioswale shown where the normal park strip would be. So we'll be working regionally how we fund those, begin that everybody needs to comply with just ten cities actually acting and exactly what cities will participate. For monitoring here in our county we've had a robust monitoring program for over a decade. We're now taking that to a regional level so we're eager to see additional efficiencies and collaboration on that, the requirements themselves have expanded a little and included again this notion of triggered actions. Based on monitoring results we may be required to do additional study or additional monitoring to better flesh out a water quality problem or situation. And we may need to act and take different measures as a city to correct that. Again difficult to scope and scale at this time but the permit does offer some type of cap on the number that are required to be done during this permit cycle in acknowledgment of that uncertainty. We are also taking a different term in this permit cycle with how some specific pollutants are being addressed. A good example is in the case of mercury and PCBs. These two pollutants are treated very similarly in this permit and that is because they share quite a few characteristics. They are legacy pollutants. We don't actively use a lot of this in a way that gets discharged now. They both like to bind to dirt. They both have regulatory frameworks and studies with required pollutant reduction for storm water runoff and we don't have a silver bullet for how we will meet those reductions. So during this permit cycle, we are being required to try quite a few things, to see what the best most cost effective most effective way to be to address this at the citywide or regional scale. It includes looking for specific locations where we know there's elevated levels of PCBs or mercuries in a system or in a site, and see if we can pinpoint a source and just address that source through regulatory means or through abatement. It means looking at our maintenance activities such as a street sweeping and catch basin cleaning and see if those activities intercept more dirt, intercept more of those pollutants at areas where we know there's higher concentrations, and what how effective that might be. It also requires that we try using those same types of techniques that we talked about in new and redevelopment and applying them as a retrofit. So not necessarily when you're going to retrofit, I mean going to rebuild, but just going into a site that we know has elevated levels around or at it. But using those same kind of landscape base techniques to intercept more of the sediment and more of the pollutant and evaluate the effectiveness of that. Also, very new to this permit is we're required to again regionally do some pilot studies and pilot projects that divert some of our storm water into the sanitary sewer system. It is done on small scale in some areas. It's very site-specific. And this is a very large consideration for any city to undertake. So San José is one of five pilot watersheds that are potentially on the list to participate in this host of activities, and we'll be working carefully with our regional partners to understand how that gets funded, and what the implications for ARRA as a specific city participating in that. Trash, we've talked a lot about trash as we've come to the committee to talk about the permit. It's very new in this permit, and it's become a bit of a poster child for the need to increase our attention on stormwater management throughout this permit negotiation due to its high visibility and its high impact in our creeks. There in the center photo a large accumulation caused by what gets contributed to our creek in addition to the natural logs and trees and things that fall and create the accumulation, the photo along the bottom what happens after a storm, as our more windblown litter items tend to get clogged in the trees. We're required to do some specific things in this permit. And we are required to do anything we want to meet sell very broad, bold objectives in the permit. Specifically, we're required to identify and clean 32 trash hot spots in San José. Along our creeks. The number in the permit is based on the size of the community and amount of commercial area. Our number's 32. We are required to install and maintain trash capture devices which are shown here, the pilot for which we've shown here in the upper photo. And it represents my only prop today.

>> Councilmember Liccardo: Oh.

>> This is a teeny tiny version of the trash capture device that's installed there in the very front. These are installed in a catch basin in that box, that's there along the street where the curb inlet is and instead of trash blowing in and then going through here into the actual storm sewer system it's captured out here and remains in the catch basin where it can then be maintained by our maintenance crews. We are required to install a number of these to cover a drainage area that's roughly 1% of our city. It's actually a pretty modest amount of the city. We've piloted these already in 80 to 90 catch basins so we're quite a mark there towards meeting the right requirement. However the really bold initiative sitting in this permit is

that we're required to implement and demonstrate a 40% reduction in the amount of trash coming from our entire storm sewer system into our creeks by 2014. That's going to be in a very, very aggressive target. The permit term itself is five years but they've included some targets that are also outside our permit term so whether or not they're partly of this permit they give you a clear indication of where they want to take the provision in the future, seeking a 70% reduction in trash coming from our storm sewer system in 2017 and 100% by 2022 or virtually no impact from be trash in our creeks and streams. To get this we're going to have to use a variety of tactics. We're going to do more than these than the mandatory minimum. Cleaning our catch basins and a hose of pollution prevention kisses, education, enforcement and product actions at the policy level to address frequent letter items, things like bags and foam as a comprehensive strategy to address the trash. And lastly for the specific elements we wanted to highlight today municipal water discharges. Again this is an area of maintenance activity where we have to implement best practices during the work we do here in the municipal water system. This applies to all cities that have a municipal potable water system. And it requires that we implement the practices with it is not new, we've had that in the past but it also requires we monitor the water quality after the best practices and again evaluate it against benchmark and maybe do something different depending what we find. Because our maintenance activities are so frequent, something simple, line breaks that are below can be disruptive to the overall operation but we're working closely with the standpoint to evaluate how they can do this as quickly and easily as possible. And again we may need to take corrective action which we can't really scope at this time. So we've looked broadly at the overall permit and we've identified five and a half to \$6 million in additional cost annually over the cost of the permit, in order to implement the full permit which I did bring here today. It will need to come from a variety of funding sources depending on which activities and services are impacted by the requirement itself and how they are appropriately funded. The bulk of it would reasonably come from the storm sewer operating fund but just with that last item that I noted on water utility discharges, that's going to impact our water utility fund, there will be some impact to the General Fund and some of these programs are developer fee oriented and can affect developer fees. We are looking closely at these and will bring them back for the budget process and our five year strategy back for a second look and we are carefully looking at how else can we fund these requirements. Both regional coordination, opportunities to share the cost over the region looking for it to be cheaper as we do so and grants. At the regional level, we've already seen two successes in securing grants for permit implementation. The San Francisco estuary partnership has secured five-plus million dollars in stimulus money for the trash controls, about \$600,000 of that would come to San José, so we're working closely with them on how that project evolves so that we see that those resources come to us. And our Bay Area stormwater program has secured from EPA a \$5 million grant to address some of those mercury and PCB pilot studies that we talked about. Again we're working with them to ensure if we're participating that the resources are coming back to our community as well. And we'll just emphasize when it comes to our resources the price tag looks pretty big. Trash is the biggest part of the price tag. The council has already approved some phase investment towards this permit as we knew it was coming and so about \$2 million of that has already been appropriated as we've gone through budget actions the last two years. And this is regional so all communities are facing these kinds of challenges, as we implement the permit together. Last thing I want to emphasize that this is not ESD, we can't do this, this is a partnership across an array of departments whose services are affected by the permit and who work actively with us to make this the best program that it can be. And so I just wanted to take a moment to acknowledge all of them as our partners. And next steps, we have quite a few other activities that are coming related to this, to the council in February like I said we're we'll be bringing the hydromodification policy back to council for formal adoption, that's the December 1 due date. We'd like to come back to this committee and share with you some updated projects including ordinance development related to some of our programs, a new and redeveloped energy update, how we will remark our storm drains also required in the permit and that 32 list of hot spots, that's required to be submitted we'd like you to see that before we submit that. In August we've given you a one year look hot look today we'd like to give you a five year look in August and in September every September we complete our storm water annual report and we'll bring that back in some form back to the committee or council. With that we're open for questions.

>> Councilmember Liccardo: Thanks, Melody. Questions, Rose.

>> Councilmember Herrera: Thank you Sam, thank you for the report. I was wondering about coordination with other entities, special districts and if you could talk with about the Water District and how we would be coordinating with them. And I was thinking in terms of creek cleanup, it was on my

mind, I just walked through Thompson creek with staff and had a first good look at Thompson creek at eye level, there's lots of trash in the creek and my understanding we can't just go out in the creek and start cleaning up. We have to coordinate with several different agencies to clean up the creek so if you could comment that would be great.

>> So the water district is a key partner in our countywide stormwater programs. So in some scale we'll be collaborating with them for various elements of this permit. Specific to creek cleanup we're going to look at our joint MOA on trash prevention and removal that we currently have with the Water District, and see where that can or needs to be expanded to get to these efforts most efficiently. They too have a number of hot spots that they must identify throughout the county and clean up those. There is an opportunity that we might be able to -- we can't identify the same hot spot but we can identify adjacent ones and do them together if they're long enough or big enough that they merit a definition of two hot spots in the language. So we have a great opportunity to collaborate with them and they very much want to do it too.

>> Councilmember Herrera: So that we potentially could save resources and money there by collaborating. And what about grants, applying for grants because I know that they are focused on applying for grants for many different kinds of things. Can we -- is that going to be another way to join force with them?

>> With them we can so we're looking at both our county -- jointly with the Water District or county wide with our all of our county wide partners together and most likely Bay Area wide looking at large grant opportunities through stimulus funding or any of the bond measures related to water, gleaning through those programs and seeing which ones we can latch onto. In some cases funding constraints occur where the programs aren't available, those program are not available if it's a regulatory requirement so we have to tease out which ones we can navigate and say do meet -- which ones do meet the criteria for the funding source but we're eagerly looking at all of those.

>> Councilmember Herrera: My last question goes to the General Fund, how much impact to you think this currently face with our General Fund shortfall how would this impact?

>> What we estimated in the staff report at this time is about a half a million dollars needed in ongoing costs. We are looking at that very carefully and will refine it through the budget process.

>> Councilmember Liccardo: I'm sorry a half million annually?

>> A half million dollars annually we'll look through that closely and refine it before we bring it to the budget processes.

>> Councilmember Herrera: That's all my questions for now, thank you.

>> Mayor Reed: Nora.

>> Councilmember Campos: I have some follow-up questions of what would be the consequences if the city didn't comply?

>>> That could take a lot of forms. The permit was made more specific so it would be more enforceable. And it was made more regional so that the distinctions amongst cities is reduced, and the clarity of expectation would be higher. There is some expectation that there'll be continuous improvement elements to this permit. So some things we'll be asked to make better when they're reviewed. But egregious violations could be subject to actions and fine. Clean water act violation are subject to fine up to \$37, 500 per violation.

>> Councilmember Campos: (inaudible).

>> The attorney's office may want to chime in.

>> Yes. We do need to move forward with the permit. This permit is a little bit different than a permit for a wastewater treatment permit and I think Melody alluded to it in a sense that some of the requirements in this permit you have more sort of flexibility to determine how you meet the requirements. So I -- it is a little -- it is more -- it is -- has been made more specific than the last permit, but still as a storm water permit, because it's based on -- it is not based on effluent limits that are so easily -- to see what the violation is. It is more difficult to see what the violation would be for this permit. So I don't -- the city certainly needs to try to implement it. But we do have some flexibility in terms of how we implement it, too.

>> Councilmember Campos: Well, first of all I think it's something that we need to do. If we could get to 2020 with 100% of catching the trash then we have proven to be a very successful city. I think that going back to I think what my colleague had asked about how does this affect the General Fund and what's the impact, it's half a million every year, is that correct?

>> That was our first estimate. We are looking at that carefully.

>> Councilmember Campos: And when do you think you will be able to have a concrete number for this committee?

>> We will refine that in time for the budget review in the spring and we'll have a more refined five-year look when we come back in August.

>> Councilmember Campos: Okay, that will be helpful. Okay. And I just want to add, to the comments about seeking other funding and being able to get grants, so that we can alleviate some of the pressure from the city, in having to come up with all the money. So good luck on being able to put a good argument forward for the city on why we need to be considered for some of this state and federal money.

>> Thank you.

>> Councilmember Campos: Thank you.

>> Councilmember Herrera: Judy.

>> Councilmember Chirco: Thank you. It looks like that this refers to public work, not work done on private, on page 5 it talks about what the -- but I was wondering about like power washing or just some of the same things that go on in the public sector that might go on in the private sector, does it cover work done on private, by private companies?

>> It does. Through our enforcement of local storm water regulation, we are required, in broad view, to effectively prohibit nonclean rainwater discharges. So our enforcement team responds to complaints of those kinds discharges, and we also do outreach to educate business owners for good practices to protect from storm water quality.

>> Councilmember Chirco: For instance if a private business wants to hire someone to power wash their sidewalks and buildings, will their -- is there currently a permit process or is that something that will have to be created?

>> So some communities have gone to permitting for that kind of thing. Here in the Bay Area there was jointly developed a brochure that educates in particular surface cleaners on best practices and there is a Bay Area wide certification program where they take online training, answer some questions and be able to say that they're certified.

>> Councilmember Chirco: And so are we working with organizations such as BOMA or Silicon Valley chair to let them know about these new permit requirements?

>> We have worked with BOMA in the past. We have not briefed the chamber in the past but that is something we can do.

>> Councilmember Chirco: Thank you. And on the 500,000 I know my previous speakers have addressed that. Is that something that would incrementally be part of our funding, where -- or like in 2011, it hits the General Fund all at one time?

>> That I can't answer just yet. So that's something we're going to refine for the budget process itself to see which elements need to go immediately and which might be able to be stepped.

>> Councilmember Chirco: And then it talked about, on the new development and redevelopment, they have the basic strategy for addressing the storm water treatment. But they all seem to pertain to detention basins, biofiltration, onsite, since this is the Bay Area they didn't have any strategies for high density, how you handle storm water runoff?

>> No.

>> Councilmember Liccardo: I see Laurel rising from her chair.

>> They have some that may work for various projects. Laurel will --

>> Laurel Prevetti: Let me help Melody out. Laurel Prevetti, assistant director for planning, building, and code enforcement. Melody mentioned there is a provision where we might be able to do a study for our special projects which are our key infill locations. Because we're concerned that these measures might not really be practical in our urban areas especially as we look at our general plan update where we're hoping to intensify and key village locations, certainly the goals of low impact development are sound and of course we want high quality for our creeks. But we also want something that can be implemented. So this permit does provide us an opportunity to do a study that will be due to the regional board this December. So we're going to take advantage of that provision, and hopefully, come up with some creative solutions so we can have both the high density mixed use development our community needs, as well as meeting our environmental goals.

>> Councilmember Chirco: Yeah, and this is not unique to San José. It would be the entire Bay Area. In keeping with what you said it's really important to us to have clean creeks and rivers. So this seems like it would be a high priority on finding strategies to deal with the type of development that is currently in -- not really in the near future expected to occur.

>> Laurel Prevetti: Right but as we see the uptick in our economy we are expecting more of these projects to be the very ones before you as our city council. So it is important that we figure out a solution to this, and we've also discussed with our regional partners, the association of Bay Area governments and others, that we all need to be mindful of what other regional agencies are doing. If we're really serious about putting growth in the right place for the Bay Area as a whole we need to make sure that we're all figuring out the strategies so we can achieve that larger goal.

>> Councilmember Chirco: I think these are really laudable goals and they do need to be a priority. It just seems like it's a huge jump from where we were to where we want to be and doesn't seem like there's too many steps leading to get there. So I look forward to that report.

>> Laurel Prevetti: Thank you.

>> Thank you.

>> Councilmember Liccardo: Thanks, Judy. Laurel, while you're up I'm sorry since we're on the subject. Is the whole tension simply because with TOD we don't have the land we need for bioretention or is there something else going on here?

>> Laurel Prevetti: Well I think part of it is that the regional board didn't really understand what patterns of development we were expecting in our future. So when we went to testify, when the board was considering this, we were trying to explain that actually San José is already a very urban place. And we -- now there's a map in your packet term that essentially identifies areas that are pervious to certain degrees. And you all know that we have residential areas around San José and why some of them are considered already essentially urban and some are not is a question to us. So we do have more work ahead to work with the regional board and figure this out. I think they think of us really as a green field that hasn't yet been building downtowns and neighborhood business districts, et cetera.

>> Councilmember Liccardo: Thanks, Laurel. Okay. Unless there is further questions or comments we'll take comments from the public. David Wall.

>> David Wall: After this meeting I'll be down on the river to look in my own particular neck of the woods. I'm -- I guess this is the best type of program that you could expect from the environmental services department. I don't think that it's great of a program, but let me elaborate. I'd like to thank Councilmember Chirco, outstanding question concerning high density living and their potential for storm water runoff. You would think that that would be a natural component of this report. Obviously, it is not, and more work is needed. What is not really talked about too, is the impact of high density runoff insofar as flood prevention. And that is an aggregate topic that has somewhat been sidetracked which is another unfortunate and lacking provision of this report. The obvious poor planning from a budgetary standpoint, because the storm drain fund is a wash with money and will be awash with another 30% increase across the funding board, as far as single family homes and other living projects. General Funding therefore should not be an issue, should not be even considered an issue, what should be considered is new delivery methods of services, which is too timely for me to comment in my two minutes. So with that, I will write about this on the public record but this report, in relation to the funding for the management and decision making of that department, is on the high school level. And should be treated as such, thank you.

>> Councilmember Liccardo: Okay, I have no other comments from the public. Is this an action item, in which you need a vote?

>> Ed Shikada: It is in the update and again there will be a follow-up post the budget process.

>> Councilmember Liccardo: We'll move on then to item number 2. I thank you John Melody and Elaine.

>> John Stufflebean: Item number 2 is our monthly energy update and Carey is coming forward to do that. This is Carey Romanoff assistant director.

>> Councilmember Liccardo: Good afternoon, Carey.

>> Good afternoon. Some you will be thrilled that there are no charts with small print this month. But we do have one, our usual one double sided handout. In the follow-up info memo you'll also get a link to additional detail on some of the work that we've done. We actually keep the records by location. So we didn't think you'd wanted all that paper but it will be available to you if you're interested in where some of the project work has been done and the associated savings with each of those projects. But in summary, in 2009, in our energy efficiency program, we completed 20 audits and of municipal buildings. And then the subsequent energy efficient improvements created \$330,000 in annual savings. So that will be ongoing savings. And as you can see from your handout the bulk of the work, the energy efficiency work has been in lighting improvements. The efficiency upgrades will continue throughout 2010 and we've

identified future projects that we think will save another 230,000 dollars in work that we'll do this present year. These are mostly lighting and HVAC work. Since the inception of the energy fund in 2007, the energy efficiency work reduced municipal energy usage by 5% and created an additional \$800,000 in annual savings. So at the end of this year it will have about \$1 million worth of annual savings just from our energy efficiency work. And then we'll continue to ramp up this work due to the grant money that we've received. So we do now have EECBG grant money, the 8.7 million and we'll continue to work through that and we have also completed 72 audits in those two-plus years. One project that I thought was interesting is the park garage retrofit. So there's three pictures of an exciting parking garage. But there are four parking garages that we did, we did work in, the work cost us \$204,000 to install. On top of that we also had \$96,000 in rebates. But that work resulted in \$83,000 in annual savings off of our energy bill. I think it's kind of a neat project because you don't really think of the cost of lighting in a parking garage and it certainly doesn't affect how you park your car. Doesn't impact you on a daily basis. But it has a nice pay back to the General Fund. We continue to look for projects that have a good return and two and a half years is a pretty nice return for us. From the renewable energy standpoint we have completed 38 assessments, and we have six solar installations at city facilities, and we talked about those with the CDBG money at the libraries and community centers. DOE will be completing assessing 200 sites in 2010, actually in the next two months and they'll help facilitate the bundling of our next solar RFP. So we should have that out in the springtime frame, assuming we'll be able to stay with our current work plan. And as you know the solar PPA at the service yard is in the final stages of negotiation and we hope to be in construction there pretty soon. And then we also have been working with OED and general services to continue to look for opportunities at that time City's closed landfills. So any questions?

>> Councilmember Liccardo: Okay, thank you very much, Carey. All right, any questions or comments? Judy.

>> Councilmember Chirco: Can we do more parking garages?

>> Can we do more parking garages? You know, hopefully we won't have to build any more parking garages because we'll have mass transit.

>> Councilmember Chirco: Darn.

>> Councilmember Liccardo: Rose.

>> Councilmember Herrera: Kind of a comment and a question. Seems like the lighting, converting over to better lighting is one of the biggest savings we can do in terms of the energy efficiency projects?

>> You do, President Obama says energy efficiency is sexy. I don't know if it's sexy but it certainly does have a nice ROI. That is the low hanging fruit. They are on long periods of time during prime time hours.

So yeah, it is something we'll continue to work on as you look at the forward plan, those are pretty easy things to do in commercial buildings as well as residential buildings.

>> Councilmember Liccardo: Okay, great well thank you very much for the report. Love to hear good news. All right, we'll move on then to item number 3, the state route relinquishment. I see Hans. Welcome, gentlemen.

>> Hans Larsen: Thank you. Mr. Chair, members of the committee, I'm Hans Larsen acting director of transportation. And joining me for the next two reports is Ray Salvano our division manager for regional transportation projects. The first report we have up is relinquishment of state routes. And what we're asking this committee to do is take forward a recommendation to the city council to adopt a resolution in support of the City's pursuit of the relinquishments of state routes 82 and 130. And these are the routes shown in yellow on this exhibit. And we'll talk a bit about why we want to do that. Let me just back up a second, Ray. There -- the state route system that we have, 82 and 130 are really kind of a relic of the past. These routes were established as state highways, before we had the freeway system that we have in San José and Santa Clara County. And the reason we're bringing these forward is because these two routes are planned to undergo some very significant transmissions. We have a BRT project on State Route 130, Alum Rock avenue. We have the high speed rail project which will influence some changes on the South part of State Route 82, Monterey highway, and we have projects on the northern part of State Route 82, through the downtown area, and then one very significant one is the transformation of the Alameda along State Route 82. So one of the constraints we have is with these state routes. CalTrans plays a major role in any changes within these corridors. I think it's safe to say that San José is much more progressive in terms of being multimodal and pedestrian friendly and those are some of the goals we have in these corridors. So essentially we'd like to manage these from a local control perspective. One other consideration is any time we want to do a parade or a developer wants to make a change on these streets you have to go to CalTrans and get permits. So part of this is about being more efficient. Okay, go

to the next slide. What is a relinquishment? It is essentially, it's an effort by the state to say they no longer have a state highway purpose, important purpose for the route so that makes it eligible for relinquishment. The other part is there's essentially an agreement between the state and the local jurisdiction that has to be initiated through legislation to affect the relinquishment. And I turned a little bit about why we want to pursue this. Essentially it provides local control. It allows us as the local agency to better manage the collection between land use and transportation. It saves time and money for the development process that's along these corridors and the city council has already taken some action supporting this, as we included relinquishment of these two State Routes as part of our legislative guiding principles that the council formally approved in the December of 2009. A little bit more detail in terms of what we're talking about here. So these routes comprise a total of 13 miles of streets. And we define them into two segments in State Route 82, the north piece which is from 880 to 280, it is essentially the Alameda and some streets in the downtown area. The southern portion who's primary Monterey highway down to Blossom Hill and 101. And Alum Rock avenue is from State Route 101 eastward to the city limits. There's some cost considerations that we want to bring up. And primarily the biggest consideration is that these facilities have not been well maintained by the state. There is a high degree of deferred maintenance primarily related to pavement maintenance and it has been assessed in the order of magnitude way that there's about \$20 million worth of rehabilitation that's needed along these routes. And as we move forward to pursue relinquishment of these, because of the reasons that I've cited, we're very mindful of trying to address improving the condition of these streets. The context for this is, as this committee is well aware, is that we have over a \$250 million backlog of our own streets. And so to take another 20 million in, it's not the direction that we want to go. So the approach that we're taking is to try to negotiate with CalTrans as part of the relinquishment agreement from them to rehabilitate these streets, if not immediately, which is a challenge in the current budget environment, or perhaps over time they would provide funding. The other tack that we're taking is the project sponsors that want to make improvement such as the VTA with the BRT project or high speed rail with their improvements might contribute money towards bringing these streets into a better operation. The other operating cost that we have is San José does maintain these streets now in terms day-to-day operation and we have an agreement with CalTrans in which they provide us some annual money to do that. It's mostly related to maintaining street lights and traffic signals, you can see them there, and most of the cost is the energy costs associated with powering the street lights and traffic signals, so we get about \$300,000 annually from the state. If we were to take these ourselves then obviously we would need to pay that full cost. Touch a little bit more on opportunities and benefits. So mostly these relate to having the local control and being able to manage these and get efficiencies for cost and schedule and streamlining for project delivery. The key projects that the relinquishment supports on State Route 82, the north piece, is, there is a very exciting plan being developed for improving the Alameda business district, it's called the plan for the beautiful way and the intent is to make that corridor more pedestrian friendly and vital as a business district. There's a host of improvements planned in the Diridon station area, on route 130, there's the BRT project, the VTA is leading, and there's also the land development that's got it by the Alum Rock form based zoning effort and then on State Route 82 to the south is the high-speed rail project wherein monterey highway corridor, it either exists or is planned to be six lanes and in order to fit in high speed rail without a significant impact to the community we're planning to introduce and tighten up Monterey highway down to a four lane corridor in order to include room for high speed rail. Okay, in terms of the process that we're in some very exciting news. Just a little more than a week ago, on January 20th, assembly member bell introduced state legislation, assembly bill 1470, that formally initiates the process to start the relinquishment of these two routes, what we will be doing then, in fact we're already in negotiations with CalTrans, to put together a relinquishment agreement between the city and the state on how the relinquishment process would actually transpire and what the funding contributions would be. We have a deadline for the assembly and senate to approve the bill by August 31st. So we need to have our agreement prettiful in place by then. The grove would sign the bill if everything goes well and then the first day that relinquishment could be effective or based on the provisions of the agreement would be in January 2011. So what we are doing is, in order to help this effort, to secure passage of the bill, we'd like the city council to formally go on record in supporting this effort. We also will be doing outreach with the VTA, MTC, high speed rail authority, to seek their support for this piece of legislation, as well. I understand that there are representatives from the community that may want to speak to this. We're available for any questions or comments.

>> Councilmember Liccardo: Thanks, Hans and Ray, and I know we're joined by some folks from VTA as well. Any questions or comments?

>> Councilmember Herrera: I do, thank you. I had a couple of questions. And starting off with, I noticed there was an amount of maintenance covered for 82 and 130 by CalTrans. But there was a big differential between highway 82 and highway 130. I was just curious what that was. Highway 130 receiving 15,000 and in '82, over \$250,000. Why the difference in the maintenance money?

>> Hans Larsen: I think it's primarily a function of the length. You can see the length of 82 up on the chart here is much longer than 130 so it has more street lights and traffic signals than -- it's pretty well an equal level of maintenance, it's just the scope of the two corridors is different.

>> Councilmember Herrera: Okay. In terms of the high speed rail, I'm very excited about moneys for the high speed rail being able to be utilized on other projects that adjoin these like 82. Is there any way we can get that more spec'd into the project in terms of it becoming more automatic in terms of 82, that would seem a likely part of the project there.

>> Hans Larsen: I would say that our discussions with the high speed rail has been very positive. It's kind of the most southern part of 82 where high speed rail comes into the corridor and where they're having to physically change the median locations and lane wits. It is a natural for them as they rebuild the street to also take care of rehabbing the pavement. So where we are at this point it seems to be very positive in terms of their acceptance of that responsibility.

>> Councilmember Herrera: Great. And then the other thing is you were talking about implementing this and noting the energy costs that we're going to have to take over as San José begins to maintain that. Is there any way that we could implement energy saving policeman such as converting lights to LED or any other savings that you could put forward as parts of one of these opportunities to accept funding so that when we do assume that we would have a lower ongoing energy cost.

>> Hans Larsen: That is a great comment and we're totally with you on that. I think as a policy matter and we'll be taking back to this committee our new street lighting policy. I think the intent is that any street light we build in San José or any corridors we significant reconstruct, we'll be building into those quarters, the best for street lighting and that would be LED lighting. We can produce those few trip costs by being as energy efficient as possible. .

>> Councilmember Herrera: Is there any possibility that as we ask CalTrans to pay some of the ongoing maintenance, I don't know if there's any way we can establish some money out of that to start converting those lights, if we are going to be getting money from CalTrans?

>> Hans Larsen: Yeah, I don't -- I think the best that we can do is get money for just one-time improvements for areas that which that there is a deferred maintenance or it's in less than a good condition. I think in terms of getting ongoing maintenance funds from CalTrans, that's really the policy that we is have, we want local control of these corridors. We'd have to accept the long term maintenance. But I agree with your first statement that as projects come in here and transformer these areas we want to transformer them in a way that reduces our operations and maintenance cost.

>> Councilmember Herrera: Okay, thank you.

>> Councilmember Liccardo: Okay, Nora.

>> Councilmember Campos: First of all I've been waiting for this day for nine years. I'm thinking about I have predominantly 130, which is Alum Rock in my whole council district, and to get a signal light took me quite a long time to work through with the state. But we got it for the safety of the pedestrians. The other thing is to get signage that makes sure that pedestrians are safe also took quite a bit of energy, but we were able to accomplish it. So for us to have the local control to develop this corridor with our small businesses and as we continue to develop bus rapid transit coming down this corridor, I think it will be very helpful and very beneficial to the City of San José to be able to have local control on this. So I appreciate your schedule, because it looks like right before I leave, we will have hopefully had this accomplished, and we can move forward in being able to accomplish the bigger vision. So this is exciting, I mean, to someone that has been here from day 1, watching this and hoping that we were able to get this, and the fact that you're going to be crafting language that hopefully protects as well, in being able to get funding for some of the maintain up front, as we move through a process of relinquishing it at the appropriate times. So I appreciate those comments as well because I think it's important that when -- feasible that we can upgrade the corridors, not only 130 but the 82 as well. And I know that the Alameda has been working on this as well, and I'm sure that you're aware of that as well. So for decades, people have been very frustrated with these two corridors. So I think this is a -- hopefully, seen in a positive direction from our constituents here in the San José. Thank you.

>> Hans Larsen: Thank you. I'd just add a couple of comments. Big appreciation for assembly member Beall. I'd like to thank our representative Roxann Miller, she's been instrumental in getting this passed, kudos to her.

>> Councilmember Liccardo: In spending months trying to get a crosswalk on 82, I certain feel Councilmember Campos' pain and her joy. As we see this nearing its conclusion, I would imagine that you'd expect the state would be thrilled for us to take this off their hands, given their current fiscal situation. But I know it always takes a lot of pushing. Anyway, thank you both gentleman. Unless there are -- oh, I see a gentleman who would like to speak as member of the public. Sir if you could if you'd like to speak now, that's fine but if you would like to afterwards please fill out this yellow card and so forth for the record.

>> My name is Mark Morris, I'm from the Shasta Hanchett park neighborhood association and also from the Alameda steering committee. That talk a little bit about the Alameda project. But I'm here to really strongly endorse the relinquishment. It is a prerequisite for the really exciting things we want to do on the Alameda, we've been talking about it for not quite nine years I've been involved but five or six, a long time, and it will be wonderful to get -- have the city have control of us and we can implement the kinds of things that we want to do. Just that the Alameda project was a beautiful way, which was an old 98 of the Alameda, as a first state highway in California, and the -- it's a project that was initiated by neighborhood association and the business association, in cooperation with the redevelopment agency, probably about two years ago. And the goal, the stated goal is to create a vibrant and health commercial center on the Alameda and I don't want that, I mean we want to really realize the potential, the obvious and great potential of the Alameda, one of the great streets in the Bay Area. It can be that. It can be a landmark for not only our neighborhood but for the city as a whole. And the project is funded by a grant from CalTrans along with some money from the redevelopment agency. We've hired a design consultant, we're well into the project, we've had very enthusiastic community meetings, about it, most recently on Thursday nights we had a meeting with the design consultants presenting conceptual design plans for the Alameda. There were 150 or so community members there, they enthusiastic, a lot of participation that the whole process has been guided by the community and guided by community participation. So it's really encouraging and exciting. It's both the outcome is going to be both a great neighborhood enhancement but it's also even more significantly an economic development opportunity. If we can produce -- if we can create a business neighborhood there, that draws people not only from the neighborhoods but from other areas in city and regionally it's going to be an economic incentive, so it's got great potential.

>> Councilmember Liccardo: Thank you, sir.

>> And finally, this relinquishment is a finalizing of what we want to do, pedestrian improvements, crosswalk improvements, lighting, all the things you know well, relinquishment is a nets for that so thank you. And thank you for speaking. You need a vote Ed, correct?

>> Moved.

>> Second.

>> Councilmember Liccardo: All those in favor? Opposed? There are none.

>> Councilmember Chirco: Sam it talks about the resolution in full support --

>> Councilmember Liccardo: I think that's for the full group, right?

>> Ed Shikada: Two weeks out for the council meeting.

>> Yes, and we're working with the attorney's office that will craft that allocation that will go to council.

>> Councilmember Campos: So I guess in the motion that we adopt a resolution in support to go to the city council.

>> Councilmember Liccardo: All in favor, none opposed, great. We'll move on to item 4. Which is the BRT, along Santa Clara Alum Rock.

>> Hans Larsen: And this is one of the projects we were speaking of that is a beneficiary of relinquishment. And on this one we're also asking the committee to forward a recommendation to the council to approve an agreement with the VTA, which addresses a vision statement and a project description for this project corridor. A couple of introductory reports and I'll turn it over to Ray Salvano for most of the presentation. The VTA is moving forward with the project to introduce the BRT service in the Alum Rock-Santa Clara Street corridor, it's a \$130 million project. The money is there to move it forward. And where we are at this point, in terms of the state of the project development, we've completed preliminary engineering, or conceptual engineering for the project. And we want to kind of document at this point in time, an agreement between the city and the VTA in terms of the scope of the project. And I have to say that it has been a challenge to define the scope of the project. There's a lot of things that we

want to do within the corridor that supports a great transit system and supports the revitalization of the corridor. And there is a love of decisions that need to be made in terms of how much property should be taken, there's some land acquisition, the sidewalk widths, where there is onstreet parking, how the roadway lanes are configured, where there's turn pockets at intersections, and the facilities that support VRT. So it's been probably more than a year of work between VTA, city development D.O.T, and the regional Planning Department, in getting the right balance in meeting these objectives. I'm pleased to say that we've gotten to this point and what this agreement does is sets a foundation for further development of the project. So we wanted to I guess sort of document, maybe celebrate the success of getting to the point of agreement and want to formalize that. I do have Ray take the report and then I just want to acknowledge that Kevin Connolly, I think he was here, and Jody Littlehales is here from VTA if there's any questions for them. Ray.

>> Thank you, Hans. I think you pretty much hit everything that I was going to mention. So we can get through this rather quickly. The real underlying purpose of the agreement here, really, is to like Hans said really bring all the parties together that have participated in the development of this corridor, to an agreement and to document kind of this point in time, right now where we're at. To talk about a shared vision, the description of the project and talk about a little bit of our relationship, in our interagency relationships and stick with our commitment to an on-time, on-budget type process. In terms of the project vision, it's really kind of a combination of bringing in a transit project and folding in a land use plan with that as well. We spent a lot of time early on in the development of what we are calling the conceptual engineering plan, working through with the Planning Department and the redevelopment agency in developing, coordinating our plans associated with the Alum Rock form based zoning. And so the two really have an opportunity to really synergize each other or work off each other and create a what we're calling you know a sense of community, a sense of place. Stand idea being to create high quality transit service with intensified land use, bottom line. The last note we have down here is more of a goal than a vision station and that is that they can provide rapid transit, that enhances the economic vitality and livability of this corridor. Generally speaking, the project description that we've agreed upon is the Eastridge to downtown corridor served by both a two rapid service lines or BRT lines, but will be called the 522 and 523, which will replace the existing 522 and 523, with bus rapid service. Also, along the corridor, the existing 22 and 23 routes will still be retained to provide local service along these corridors. The project will construct 13 stations with one optional. Probably the main stations that are probably going to have the biggest impact will be the stations along Alum Rock, where we'll be running in the median of Alum Rock, as opposed to our side-running alignment down Santa Clara down into the downtown area. The VTA has gone through an extensive process to brand or create a new identity, high visual impact type service which is really intended to generate some interest and excitement about the project. Some of the other features really include the conceptual geometric design and operations plan. We've got a plan that we've been work extensively with VTA on, to get us through the conceptual engineering phase at a good launching point for preliminary engineering. And then of course, is the commitment to community outreach. And I think VTA has done over the last three years about a meeting a month on average. So they've been out in the community talking about this project fairly regularly. In terms of cost, schedule and current activities of the project, first of all, just wanted to note that the project was environmentally cleared by the VTA board in December 2008. In terms of the agreement, the policy advisory board did approve the agreement that we're recommending for city council to approve. PAB approved it in December 2009, and the VTA board approved that agreement in January 2010. And as Hans mentioned it's \$130 million project with the majority of the money or two-thirds of the money coming from prop 1B. As we move into the next stage of development of the project which is preliminary engineering, that will begin in the next couple of months in March, and through the process, you can see the schedule there, the vision is to have service in operation by the fall of 2013. Some of the things that are currently going on right now with the project, VTA is currently doing a consultant selection for a general design consultant for the project. They expect to take that to the board, their recommendation for that selection, in March, at the March board meeting. One of the interesting things is that we, the City of San José, the Department of Transportation, in participate with the Department of Public Works, has submitted a proposal to do design work for the project in this preliminary engineering phase focusing primarily in the area of traffic signals and street lights. And we'll be ongoing discussions with VTA regarding our proposal. In addition, we will be working on, we do have one area of concern that we've been focusing a lot of our attention on, and that's the selection of the City Hall station locations, we've got a couple of different locations, one in front of City Hall, and one in front of the supermarket, just to the

east, for that particular station location. We'll be working with VTA in bringing that forward, I believe at the March policy advisory board as well. And then, lastly is the improvements, the modification of the Eastridge transit center that we'll be moving forward to kind of as a separate project but always in -- with the BRT project in line or in mind. The Eastridge transit center modifications and the capitol expressway pedestrian improvements. Two other projects that are related to the BRT project but not necessarily directly connected.

>> Hans Larsen: I wanted to just make a couple of color commentary points on the other slide just want to just highlight the second item there under current activity of San José proposal to help implement the project. As Ray mentioned we have a proposal that Katy Allen and I sent to the VTA where we're offering our services to design the traffic signals and the lighting, within this corridor. And we think that we can be of great help in delivering the project essentially do most of the work in this corridor is going to be city facilities. We're building city sidewalks, trees, lighting, it's our street, and we've got BRT stations and the bus way in the middle, but a large portion of the project is city facilities. And we think that we can help the project, build the signals and lighting because we think we can do that kind of work better, faster and cheaper and so it's good for the project and we think it's good for us. And this is something, as Councilmember Herrera brought up, is that lighting is something that we're in the forefront in developing new lighting systems and we're more familiar with this technology than somebody else could do. And traffic signals we have a very advanced traffic signal system that it's hard for other consultants to design what we have. And so actually private developers actually hire us to do traffic signals for their project because of the complexity of our signal system and the expertise that we have in-house. So the other thing I want to point out is that this is a model that we're pursuing with other regional projects. We've brought it up with the BART project where they're building city facilities, we think we can do them better faster cheaper as well as high speed rail. So the Monterey highway improvements we talked about we're proposing that it be the city that actually redesign and build the modified Monterey, highway to free up a track way for them. So I just wanted to bring that up as kind of a theme that we're pursuing with a variety of these projects. And then I guess just to close, the last slide again, we recommend this committee forward to council, approval of an agreement with VTA as mentioned, the VTA board has already approved this and so council action on this would be the last step in the process.

>> Councilmember Liccardo: Thanks Hans and thank you Ray. Councilmember Campos.

>> Councilmember Campos: Thank you. I know that you sit as the current chair, is that correct? So I'm sure that you are very much aware of the importance of why you needed to encourage VTA to move forward on this. First of all, I just want -- I think this is a great opportunity for us to formalize the vision between the City of San José, VTA and also seeking about the business community from Alum Rock to Santa Clara. Because I think one of the statements that you made, that it really is a vision, but to create an opportunity to have economic vitality, I think is really crucial, where we think about it, where you have pedestrians that are also able to engage. But I think that is very key, creating economic vitality. Because when we think about the City of San José, that brings a lot of things, jobs, small businesses that are successful and the community also gets an opportunity to enjoy their own environment by walking out, or catching the bus, and being able to go to a small business. I'm excited about this and I was sitting here as you were going over this one and thinking, wow, we're another project that has taken a little longer than we would anticipate that it would take. But as we move forward I also think that, and I was listening to the comments of the gentleman that talked about the Alameda, and thinking about how similar the -- both the avenues are when you think about it, the visions are similar, they're areas where state highways and hopefully will be local avenues for us here. But it's about also make sure that as we continue to move forward on this project we know that it hasn't been the easiest project when we talk about the right-of-way. And the park we're going to lose a lot of parking on this area and I know that my colleague has been concerned about from the downtown perspective. So I would just encourage to you think about how we create some opportunities for people that will not use public transit, to also be able to frequently support the economic vitality of this corridor. My hope is that people will not need the parking lots, because they will be using public transit. But I think a long-term cultural thing that will eventually come as we continue to be bold in public transportation, whether it's bus rapid transit, light rail, or high speed rail. But it's I think a way of life and we're not quite there yet but I'm hopeful that we'll get there. So with that, I don't know if there are any comments, but if there are not, I'd like to make one of -- oh, I'll let -- go ahead and then I'll make a motion if that's appropriate.

>> Councilmember Liccardo: Go ahead make the motion.

>> Councilmember Campos: My motion would be to recommend to the city council the approval of an agreement with VTA establishing a vision statement and project description for the Santa Clara, Alum Rock bus rapid transit project.

>> Councilmember Herrera: Second.

>> Councilmember Liccardo: All right. Rose.

>> Councilmember Herrera: Thank you chair. I was intrigued on many levels. First of all it is very exciting and I congratulate Councilmember Campos, who has been part of this and who chairs our downtown East valley policy board, which I also sit on. I'm very excited about how this creates community. I'm also intrigued by the fact that this will create some jobs and one of my questions was how many -- it's not a given I guess that San José is going to be providing these services. We're going to bid on them or is this part of it? We are going to be providing the services that you described, Hans? For this project or are we in competition to provide them?

>> Hans Larsen: I think what the letter that we sent to VTA on this was just literally two weeks ago. So we've had a discussion, Public Works and D.O.T. staff met with senior managers from VTA on the idea, we followed that up with a letter just recently specifically laying out our proposal and at this point we're awaiting a response from VTA on the proposed direction that we have.

>> Councilmember Herrera: That's really exciting. I mean I think that's great and that the City of San José has something not only that we can -- that we do a great job taking care of our city but that we can actually export our services to other projects, to other agencies. How many jobs would this create or how many city employees would this employ or do you have any sense of that? As you move forward with it?

>> Hans Larsen: I know we have Tim Borden here from Public Works listening to this discussion. How many signals do we have? Probably since this will probably come back to the TAD we can prepare an answer at --

>> Councilmember Herrera: I just think it's great. Any jobs, I hear job creation, it's a good thing. And I'm -- this is kind of out of the box but I'm just thinking about it. Is there an opportunity for us to make any money on the fact that San José is really good at this and good do it better faster cheaper selling the service or to some other locality in the country or --

>> Hans Larsen: Well I think that's -- that's while that's an exciting notion --

>> Councilmember Herrera: Trying to be entrepreneurial.

>> Hans Larsen: The unique thing we have is we know our system better than anybody else. And so it's probably -- probably limit it to that, as opposed to designing you know signal systems throughout the valley. Although I might add I just signed a council report today, on intelligent transportation systems. So we're deploying advance technologies around the valley. If VTA manages the program, San José is the technical manager for intelligent transportation systems for all local jurisdictions. So you'll see coming to council a partnership agreement, with the City of San José and Campbell whereby they are paying for us to manage projects in their jurisdiction.

>> Councilmember Herrera: I think that's incredible, and I'm really supportive, anytime that we have something that's proprietary that we develop that somehow we could benefit from, that would bring revenue into this city, I would be really supportive of that. And the fact that we're in Silicon Valley and we are able to do that, I think that's kudos to you and our city. I wanted to -- I can't let this topic go by without, you know, just mentioning that, the BRT, it's a wonderful project but it also is looked at along the capitol expressway line as an interim project because we look forward to light rail coming. And I just feel I have to say that every time we talk about this. Because that is something that we're all expecting and looking forward to. And I don't see that mentioned in here, you know, I get concerned when I hear about BRT along that part of it and not see that that's an interim to light rail. But I just want to state that again. If you have any comments on that. Any differences?

>> Hans Larsen: Well, we are the project to put in pedestrian improvements in the capitol corridor from -- on capitol expressway down to the Eastridge station is another active project. It's not part of this agreement but there's a separate effort underway to do that.

>> Councilmember Herrera: That's right, the first phase of those pedestrian improvements which you know is technically part of light rail project but it's also preparing the way for BRT. But I think it's just important that we not lose focus, that this is going to eventually have a light rail line coming through there. And as I hear talks of other lines, Vasona line being talked about and we hear on the media, I just don't want Eastridge to be forgotten because it is my intention as other leaders intention to make sure this happens and tremendous community support for it I might add. The last thing is, I wanted to ask about and I mentioned this at the advisory board meeting, funding that might be left over from this project. I

