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>> Councilmember Liccardo: Good afternoon. I think we're ready to call this meeting to order. I think we'll do our self-automated roll call. Councilmember Rocha. Here. Councilmember Campos. Here. I am here, I am Councilmember Liccardo, and I know Councilmember Herrera is on her way, very late in the meeting. She's got a speaking engagement today. Let's move on to the work plan. Actually let's skip B and C, since there are no items under consent and we'll move on to reports to the committee. Item D-1 is sanitary sewer and storm sewer collections systems annual report. Welcome David.

>> Thanks. Got here a little faster than I thought you would on the agenda. I'm joined by Mike O'Connell from Public Works who manages our storm and sanitary capital programs. Today we're going to give you a brief presentation, on both programs. Not a lot of details about projects but more about the concepts that drive these programs and the projects that come out of them. I did want to acknowledge our partnership with D.O.T, and environmental services, the three departments form a partnership to address and deliver on the commitments for these programs. This is our second annual report. This started last year, so this is very much a work in progress. Both -- both systems, in San José we do have separate systems for the storm and sanitary. That's not the way it is in all cities but in our city we do have separate systems. So in essence we have two pipes in every street, one for storm and one for sanitary. The storm pipes convey water runoff to the creeks. And the sanitary conveys sewage to the sewage treatment plant for treatment. We currently have about 15 active projects in the storm program. And about 36 active projects in the sanitary program. The sanitary program historically has been much larger than the storm program. Both of these programs are funded outside the General Fund. So on the storm program, the goal of the storm program has changed a lot in the last few years. It used to be just trying to get the water to the creek as fast as we could and things are much more complex now. The goals of the program are more about improving the quality of that water before it gets to the creek, managing the quantity of the water before it gets to the creek for flood control, and certainly our program has a focus in extending the life of the asset, the storm sewer asset. Our investments are really focused into three areas on the slide. The first is, as I mentioned, storm water quality. We are piloting new projects that address this issue. Certainly the new regulations are very focused on development activities, and ensuring that runoff from new development is treated prior to entering the system. We are as I mentioned piloting projects. We have a new project off of wool creek drive, large trash capture device where we'll be attempting to capture trash before it gets into the creek. As you

know, the Water District has big programs with regard to eliminating trash from the creeks, we're trying to stop it from getting there. In the future we may be looking at projects that divert the first flush of storm water into the sanitary, as versus legalitying it get into the creek. So these are new and interesting projects that we will be involved with. The master planning of the storm system is just beginning for us, so we're beginning that process. We now have some funding for it where we'll be looking at our capacity in the system and also the condition of the system so that we can focus our dollars in those areas. Certainly, the capacity issue is an important issue to look at from the standpoint of, in the past, we've had a ten year storm design criteria, we need to revisit that, make sure that still applies in the new environment we're in. Most of the money though in the program does go to projects, and that's always going to be the case. The projects that are in the CIP and you'll see more detail when we go through the budget process are focused on outfall repair, rehabbing our pump stations which are very old and certainly system enhancements, particularly in neighborhoods. Many neighborhoods have deficiencies in storm sewers or have no storm sewer, and so some of the projects that we're doing right now is trying to correct those deficiencies. On the sanitary, the goals are a little bit different in the sanitary program, certainly a big role is decreasing sanitary sewer overflows or spills, and working very closely with D.O.T. on that, and it's a multi-facetted approach. The other big goal of the sanitary program is to ensure capacity for future development and economic growth. We talked a little bit about that last month when we came here and discussed the connection fee issue. And of course extending the life of the asset. Unlike the storm, our progress in the master planning of sanitary is very far along. We've got a lot of the city already done. And are close to getting the rest of the city done. It's very important that we get the master planning process done so we can understand where those needs are especially on the capacity side and make sure we stay ahead of development. The condition assessment is also very important in terms of trying to reduce spills, knowing where the deficiencies are in the pipes and correcting them. Once again, most of our dollars go into project. We have done a lot of work in the master planning but most of the money still goes into projects, projects that remove blockages, projects that reduce infiltration, infiltration is a big issue with the sanitary system because of groundwater infiltration and certainly replacing age infrastructure. So we do a lot of work in neighborhoods. Most of the interceptor work is close to being done. Most of the work that you see now and in the future is in neighborhoods where it's not uncommon for us to be going in and either removing or replacing a pipe or relining a pipe, point replacement those sorts of things that really achieve all the goals, maintain the assets, it certainly

reduces blockages and addresses the groundwater infiltration issue. So I just wanted to recap the goals here. Staying ahead of development and economic development is a big priority for both programs. Addressing the backlog in infrastructure repair and certainly making sure that the program ultimately helps to lower operational cost, even though they're not in the General Fund, it's still important, prevent spills, and improve the quality of the system. Mike and I are available for any questions that you have.

>> Councilmember Liccardo: Thank you, David. Councilmember Campos.

>> Councilmember Campos: Thank you, Councilmember Liccardo. I know most of what we hear regarding flood events is, you know, is 100-year flood. So I'm trying to better understand in the staff report, you report that what we want -- where we want to get to to be able to be prepared for the ten-year event, but our systems are designed for the three-year event. Could you just describe what -- you know in past you are seeing the Guadalupe river rise. Would that be more categorized as a ten-year event, and if that's the case, how prepared or unprepared are we to get water drained to where it needs to be drained so that we don't suffer loss of property and you know in some cases likes of?

>> Mike O'Connell Public Works. Councilmember, I would say the recent large storms that we've had in the last three to four years, equate to about a five-year return storm. We've had some minor flooding at some of the underserved locations in town. The -- a ten-year design storm, it really all matters on the intensity of the storm. You could have three inches of rain over a 24 hour period or you could have you know an inch and a half of rain in an hour and a half. So typically when the rivers rise, gravity systems are the most challenged because they typically are protected from the rising river by a flap gate. Once the river rises above that flap gate, the flap gate closes. Then you're only relying on the storage capacity in the system to address that. Since I've been involved in the storm system for the last ten years I don't recall that we've seen a ten year design storm hit the streets and challenge the system. But with climate change and sea level rise I think that potential will increase in the future.

>> Councilmember Campos: So then I guess my follow-up question is, in some of our areas that were built -- that are within that 1950 to 1979 time period, I mean, really, what's worst-case scenario, looking at you know my district a lot of it was built during that time period. I know that Councilmember Rocha's district is probably the same age. How prepared are we there, and then, the downtown area is much older. I mean what are we looking at? Because should we be looking at not just, you know, being prepared for that ten-year period, but then I mean when you talked about climate change, and I mean we need to start looking at creating barriers to protect us from the bay coming back this way.

>> Right, and I want to kind of add onto what mike was saying. Most of the time when we've had flooding in San José, and I want to differentiate between flooding and what we really would call from a technical standpoint as ponding. Most of the real flooding has occurred when the creek has risen to such a level that it is higher than the flap gate and can take no more water. And in most cases that water is actually coming over the creek bank, that's because it's being released from the reservoirs whether it's Lexington or Anderson. That's when we've had the real flooding. The issue that Mike was addressing with the ten year capacity that would provide more capacity in the street to hold the water, until the time that the creek was ready to take it back again, if you will. And so that certainly is a deficiency that the master planning process will help us kind of figure out and where we need to prioritize our need. Many times though, residents may come in and say, this intersection is flooded, and it may be flooded from the standpoint, it may be carrying a foot, maybe even even more than a foot of water. In some ways, that may be helping contain the water there rather than trying to deliver it to the creek, which is already overburdened. So that differentiation is important. I think ultimately getting to a system that has the capacity to hold the water retain that water and disperse that water the way we want to is a better-designed system.

>> Councilmember Campos: Are we looking at, I mean, it sounds like what you're saying is we have capacity. So when we are getting ponding, is that as a result because we have debris that's blocking drains, or --

>> It could be. It could be, often surely early on in the winter, catch basin gets clogged, and it can't take any water so there's ponding in that intersection. Certainly the system has complete capacity. That's to the standpoint that normally D.O.T. having to respond to that situation. We wouldn't call that flooding though. That would be ponding.

>> Councilmember Campos: So in the last couple of years we've had street sweeping. And many of our if not all of our council districts, how much has that helped, in clearing debris especially in the winter months?

>> I think Kevin's here but D.O.T. has a pretty proactive process of going out and trying to clear catch basins and outfalls. And ahead of the rainy season. Kevin might be able to describe a little bit better how well that's worked. From my perspective it seems to have worked very well.

>> Good afternoon, I'm Kevin O'Connor, deputy director with the Department of Transportation. So we perform street sweeping for a couple of reasons, one obviously to remove any debris or litter that's in the street, and secondarily to remove the contaminants that can find their way into the waterway. Our street sweeping is an effective way to remove from the street and gutter every year as a catch basin cleaning program we remove debris from the catch basins all 29,000 of them throughout the city. Such as removing the leaves, any debris that's collected during the year to prevent them from entering the storm system. However there continues to be leaf drop or some things, when things do collect in the system and we do get a blockage we respond very quickly we remove it and we prevent from becoming a bigger issue. As Dave mentioned those are minor ponding issues. They aren't things that we're concerned about in terms of the ten-year, 100-year flood.

>> And that's not to dismiss the fact that they're an inconvenience to people but I just wanted to make that differentiation.

>> Councilmember Campos: Okay and then just last question. I know the Water District has started its Lower Silver Creek flood project. I'm thinking if that's the last leg of it, how much will that go to alleviate some of the concerns that we might have about you know regarding not just the ten-year event or the 100 year-event.

>> Mike can add onto that but the work that the Water District has been doing in the creeks, that's where I'd say we see real results in terms of flood protection. In all the major creeks. They are doing work that adds capacity to

those creeks, that really does prevent what I would call legitimate flooding. Now, I don't know Mike if you're more familiar with that project.

>> I can add that we do work closely with the district on all of their channel improvements, where they impact one of our city outfalls. We normally request a cooperative agreement that they upsize that outfall or at least restore it to its new condition. We have inspectors on those projects as well because frequently there are city sanitary siphons and city outfall is impacted by the project. We do work closely with the district and the district has been helpful, helping us rehabilitate some of our aging infrastructure in the creek via their master work agreement with the regulatory agencies so we do work very closely.

>> I will add that once the Water District work is done there is an opportunity to reevaluate the flooding impacts. And we actually do go through a process from time to time to upgrade the flood maps. And actually able to take people out of the designated flood zones if those improvements have resulted into a change in that water pattern.

>> Councilmember Campos: Okay, all right, thank you.

>> Councilmember Liccardo: Councilmember Rocha.

>> Councilmember Rocha: Can you explain to me a little bit greater detail the relationship between what you're doing here in-house and the work at the treatment plant? Sure, this --

>> Councilmember Rocha: I don't mean, sorry, that could be a very big question but specifically in reference to this report.

>> This report is focused on the collection systems. And specifically when it comes to the sanitary, the sanitary collection system which are all the pipes that are in the street, most of those pipes are smaller diameter pipes but

we do have big very large force main pipes. This collection system conveys the sewage to the plant. And the plant then treats that effluent for either discharge to the bay or returning to the city in terms of reclaimed water.

>> Councilmember Rocha: So where does that line end where it now becomes the responsibility of the treatment plant?

>> Well, in essence it's at the head works. Although there's a partnership here in terms of certainly how we're managing the interceptors for example which are the big pipes, the pipes you can drive a truck through. How we manage those interceptors has a big impact on the plant. But in essence, the head works where the sewage is delivered is where the plant begins, if you will and begins that treatment process. The only treatment we're doing in the system is really treatment to reduce odors.

>> Councilmember Rocha: All right.

>> Ed Shikada: Councilmember, members of the committee I was simply going to add that from a funding standpoint that might be another way to look at the components of the conveyance system, as Dave was describing and the plant itself. From a funding standpoint the sewer service and use feast fees I believe are entirely flexible from those two components of the system. So it's ultimately a policy decision as to where investments go whether it be in the street or in the plant.

>> So the rate-pairs pay tax. We distribute that happens that to the plant and the collection system and also the maintenance of this system.

>> Councilmember Rocha: And that funding distribution kind of resides in council policy or City Manager direction?

>> Determined through our annual budget process.

>> Councilmember Rocha: Ed was going ahead, cheating looking at my notes so thank you. I can't read it either.

>> John Stufflebean: I was going to add, John Stufflebean, Environmental Services. I was simply going to add that the other issue of funding is for the collection system, it's entirely funded by San José's portion of the sewer fees. For the treatment plant it's funded by all eight tributary cities based on their contribution of flow. And then each of the other cities, they are responsible for their collection system within their cities.

>> Councilmember Rocha: Can you give me a sense of what those dollar amounts are? I don't mean the whole thing.

>> For just the collection system?

>> Councilmember Rocha: Yes.

>> We normally get an annual transfer of about $14.5 million. And that may change in the proposed but that's been our recent transfer. As part of the overall picture.

>> Councilmember Rocha: Okay, thank you. On page 2 of the report, number 3, there's a mention of partnering with the Water District. Along the same lines and pattern of the questions I just asked can you speak a little bit of the relationship there?

>> We coordinate with the Water District from a flood preparedness standpoint, every year. We have frequent briefings from the district on for instance the condition of their dams and their dam inundation flood studies. The Water District inspects their creeks annually and as part of that inspection they might notice say a City of San José storm outfall that has fallen into disrepair. They will bring that matter to our attention. We have a monthly city district coordination meeting and once that issue is flushed out we make a decision on should this be a partnership project or is this something that is for instance beyond the district's scope, and the city would fully

design and fund the repair. The issues we're working on now, there is a bridge scour underneath capitol expressway at the Guadalupe river and there is also an old vehicle bridge that is now used only for pedestrians and a Muni water line crossing on Thompson creek. In both those cases the district has worked with our storm staff to work up an estimate and a co-op agreement because they under their master agreement with the regulatory agencies can make that repair that rehabilitation so much quicker at a better cost point than the city could if we started from scratch. So I would say there's weekly coordination between the city and the district on a lot of these issues.

>> Councilmember Rocha: Is there any part of the system that are shared, joint-owned so to speak or are they complete stand-alones nothing shared?

>> It typically is that the Water District has maintenance responsibilities for that and we might have an easement say for a trail on top of the levee.

>> Councilmember Rocha: Okay.

>> There are portions in the upper, upper reaches of the watersheds where that creek is owned by a private property owner. There are some cases where the city is the owner of a piece of creek channel.

>> Councilmember Rocha: What about the retention basins?

>> Those are city facilities and D.O.T. operates and maintains those detention facilities.

>> Councilmember Rocha: And the Water District doesn't really have any relationship or role in those in terms of how they function when they release any of that sort?

>> Well those detention basins they fill. And the debris and the mud and everything stays behind and the cleaner water goes out. Goes out the excess. Prior to every storm season D.O.T. forces are in there removing that sediment.

>> Councilmember Rocha: I'm sorry did you have something or are you looking at my notes again? An overall capacity of the system you've mentioned a couple of times that we have the capacity, for just what we expect through our general plan 2040, it appears, or did I read that wrong in terms of -- or read it but based on the comments you mentioned?

>> I think our capacity concerns are more focused on the sanitary side. And certainly it's not a universal capacity deficiency that we've identified, but with the general plan comes a lot of intensification, certainly in North San José and other areas of town. And I think what we've been successful on is relying on the capacity in the system that was really built for the canneries and the old manufacturing nature of San José. Well, we haven't had that for a long time, so we've had enough capacity. But with the intensification I think we do have concerns in certain parts of town and that's why we've focused our attention in those areas to try to stay ahead of that future comment.

>> Councilmember Rocha: And that's one talk of the maintenance district or assessment district and especially as you've mentioned North San José have come up just discussions, nothing --

>> Right.

>> Councilmember Rocha: Okay, thank you. That's all I have.

>> Councilmember Liccardo: Thanks, gentlemen. I had a couple questions about the funds, where they come from, where they go. As I see it there are two primary sources on the storm water side, storm drainage fee and the storm sewer capital fund. In terms of paying for improvements in the storm water system. The end PBES, I hope I have the acronym right, permit poses some requirements on us. I know you're all very familiar with

regarding the quality of the water that's being discharged. And I know we've been round and round and we've looked at this pilot projects which I'm really grateful that everybody seems to be getting off the ground now with water district and the folks on the federal side to try and see if we can engage in trash cleanups working with the homeless that are there. The question I had was, the extent to which those same funds could be used on the street side, widespread comment and complaint in downtown neighborhoods, older neighborhoods that don't have street sweeping signs, as we really want street sweeping signs because they're not getting the street swept, people are parking there, as a result street sweepers are missing it, as a result you have the pollution that runs off in the storm water. Can these same funds be used to expand our street sweeping signage and enforcement?

>> I'll start out and I think others might want to help. On -- with the storm program there's two sources of funding. Really, the connection fee and the ratepayer fee if you will. Connection fee is paid by developers, and really, is devoted to the capacity of the systems and the buy-in so certainly those fees, there needs to be a nexus for those.

>> Councilmember Liccardo: Right, all capital focused with a radius of some sort.

>> Well it doesn't get that precise because the system capacity can be miles and miles away but certainly there needs to be a nexus. On the ratepayer side of the equation, I think there's a lot more flexibility if you will in terms of those dollars need to go to the treatment and to the system that conveys those waters. And so I think we do have more discretion in terms of how we focus those dollars. Although on the storm side it's pretty limited, you know, we don't have the same amount of funding that we do on the sanitary side. I don't know if Mollie wants to add any more about that or John.

>> Mollie Dent: So on the side of using the storm sewer user fees for additional street sweeping signs. I think there's a couple of things that we have to think about. It's one is, whether or not there's actually a cost to those street sweeping signs because there's actually revenue generated by that program. So it's not necessarily the street sweeping -- because there are fines. So there is actually some revenue that offsets the cost. So it's a program that actually may not cost money. And the second piece is, whether or not it's being -- it's widespread

enough within the system, so that the street sweeping program is of some benefit to all users who pay the fee. So I think those are the two things we have to look at.

>> Councilmember Liccardo: Okay, thanks Mollie, I suppose your focus is on prop 218 issues there, and I know we have DOT folks in the room, and we probably don't want to spend too much -- I'm guessing there is a significant cost to the program because I know we're only able to do a limited amount of mileage per year and we've got a lot of neighborhoods waiting in line. Oh, Kevin is jumping for the mic so hi Kevin.

>> I can't comment on the revenue that we make specifically but I can say it's about $6,000 a mile to install. So it's fairly -- there's a cost in it, and then of course there's an ongoing O and M requirement to maintain and replace the signs when something happens.

>> Councilmember Liccardo: Okay, thanks Kevin, that's helpful. I know obviously we've got a lot of things to think about in our rate calculations and we certainly don't want to see lawsuits or anything like that. But it would certainly be helpful just if there was some general inquiries to find out if this can be used for the purpose of NPDES, I'm sure I got the acronym wrong, the compliance with the permit. If this could have a significant benefit to the larger city because it certainly would benefit a lot of residents who complain about the lack of sweeping.

>> We'll take a look at that.

>> Councilmember Liccardo: Thanks Dave, I appreciate that. I know creek cleanups we've talked about before, but the clean safe creeks funding from the Water District, my understanding is that's pretty finite based on whatever bond we passed way back when is that right John? Is that likely to run out any time soon? Have any idea?

>> John Stufflebean: I don't believe so. I believe it's pretty secure funding. I can --

>> Councilmember Liccardo: Okay. The reason I raised it, the question he was going towards, doesn't make sense for us to be lobbying Sacramento to try to expand the scope of where we can spend any of the fee money to actually be improving -- if we've got a permit requirement obviously for discharging in the waterways, whether or not we could be spending the money in the waterways as well, for creek cleanups. Anyway, thanks John. Last question I had was regarding the -- it's a graph that shows up on page 6. Of the sanitary sewer system annual report and it describes the current age of the system. I wasn't sure if it was a typo but I see a couple bars show up in the age range in years between 95 and 105 years old. Is that real, Dave?

>> Yes, that is.

>> Councilmember Liccardo: Okay. Any likelihood that's going to get replaced in the next year or two?

>> Earlier in the presentation there was the picture of the 60-inch brick sewer. That is the blip that you see there. That sewer was built in the 1890s. It was wonderful, wonderful hand-made brick sewer. It is still active right now. It only takes flow in the winter. It's a kind of overflow on a bathtub say when the other two interceptors are full, that one will take some. Some of the flow. It's -- because it was constructed by hand it's not as deep as the others. We have a project under design that will be rewarded about 12 months from now that will replace that 100-year-old brick sewer.

>> Okay was that you in the picture, dude?

>> No, but I have been in the sewer before.

>> Councilmember Liccardo: We'll take our chore then as needed. Unless there are any other questions we'll take public comment. I see a card for David Wall.

>> David Wall: Good afternoon. There was no discussion about cross-connects so am I of the opinion that they've already been fixed over the years? And also, well you can answer that later. Also, what rate of flow will

cross connects then cause a problem in flooding residential neighborhoods? And you can report on this later to the council folks because I pretty much know most of this. The page 2, on your report here for the municipal regional storm drain permit should be focused in on, there's great work to be done here. This is an incredible program. This also gives rise to the issue of should D.O.T. and Public Works take over the storm drain maintenance for the entire system, versus having it spread over different departments for uniformity and efficiency sake. The issues of these cars, Your Honor, you've got to come up with a way to get cars ooff the street, period. District 3 is replete with this problem, for example, all around San José State these cars constantly cause a problem with trash and you are not going to be able to really get with this municipal regional storm drain program until you get these cars off the street. How you go about it will be a policy issue. The Santa Clara Valley Water District, for the most part, plays a lot of footsies with who owns and who has responsibility for their lands. Now, in reference to these vagrant encampments, these encampments are on Water District land. This is not San José's land. And there's been much talk about discovered trespassers and who's responsible for them, and the Water District doesn't want to deal with it. They -- I've been talking to them about having security guards down there on their own land to keep these discovered trespassers from causing a problem but they have yet to deal with their responsibilities. We've mentioned the aging system. This is imperative with reference to the minor, $14.5 million, that's being transferred to rebuild the sewer collection system. Now we've heard talk during the habitat plan for example, permits and money that could be used to rebuild infrastructure. Now, sewer hook up moratorium would expedite money to repair the collection system, and ease the permits, and stimulate the economy in ways that haven't been seen since the great depression. These are important factors to think of. Very much good work last been done by our good folks at D.O.T. and our Public Works department. And since we have D.O.T. in the room, take a note, at North first street at East empire, there's a huge collection of palm fronds that are in the gutter in the street, been there for weeks that needs to be picked up before we get a big flow. And also, think about these flows on -- heavy flows --

>> Councilmember Liccardo: Thank you, Mr. Wall, thank you very much. With that, we will entertain a motion.

>> Councilmember Campos: Move to approve.

>> Councilmember Rocha: Second or accept the report.

>> Councilmember Liccardo: Okay, all in favor, that passes unanimously. Move on to -- thank you, gentlemen. Move on to item D-2, regional transportation activities report. Welcome Hans and Manuel.

>> Hans Larsen: Mr. Chair, members of the committee, I'm Hans Larsen, acting director of transportation and joining me with the regional transportation activities report is Manuel pineda and Ray Salvano and as we do quarterly for the committee, we give you the report on the highlights of what's going on in the world of regional transportation. And the report we have will just hit on the highlights of these five topics here. And we'll start with the regional highway projects. Highway and transit projects and what this map illustrates is fives key near-term projects that are being worked on that represent almost $400 million of construction activity that we hope to get out underway within the next couple of years. Can you see the locations there. One of the things that concerns us is the recent news that the State is withholding state bond funds for some these projects. The project that is most immediately impacted by that is the widening of 880 from 237 down to 101. So we're hoping that we can get that resolved. That project is near ready to go to construction and is awaiting completion of final design and the funding. On the good-news side, we did get, the next slide, the 101-Tully project up and running. There was a groundbreaking ceremony recently for that. And this was the project that was hung up also with the state funding difficulties. We had the project ready to go almost a year ago, and it took a while to get the dollars in place to turn it out. But that project now is under construction. The BART project, there's also good news in terms of the development of that. The first phase to get it extended to Berryessa. VTA is working on putting out the design-build contract for that, in hopes to have a contractor selected later this year. There was good news for the BART project under the president's proposed budget which recommends a full funding grant agreement for the extension of Berryessa. That's $900 million of federal funds. The key challenge, though, is to actually get the moneys under that agreement in a timely manner. And the first proposal of funding is for $130 million, that would be available in 2012. And we'll work through the challenges in trying to get that in a timely manner. But overall, very good news in getting BART extended to San José, at least to the Berryessa station. The next one I wanted to highlight is the California high speed rail project. We're continuing to follow through on council direction in December to pursue the best aerial and underground option. There was an exchange of letters between the

mayor and the high speed rail authority in the last month, which indicated high speed rail's continued concerns over the practicality of an underground solution. But we're continuing to push forward and seeking further study of that. Tonight we're going to have a kickoff meeting for a team of folks that are developing the best at-grade and aerial option. So we've formed a community working group. Actually two of them. One focusing on the downtown area, one focusing on the Monterey highway area. The downtown team meets here tonight to look at establishing visual design guidelines for the elevated facility. We're also working with a team of folks, led by the downtown association and the high speed rail coalition, and I think there's some folks here today who may want to speak to this item. We're working with them to refine the development of the best tunnel option for San José. And over the past several weeks there's been good work in developing a refined design concept for the location of the tunnel in the downtown San José area. And looking at how that would integrate, I think in a very elegant solution, with planned development in that area. There's another meeting, of the tunnel group, we have a technical team that we formed and we're meeting here at City Hall tomorrow to further that effort. On bike and ped projects, there was a groundbreaking ceremony last week to start construction of the Blossom Hill road pedestrian overcrossing over the UPRR tracks and Monterey highway. So that is underway and will be complete in October of this year. As the committee is aware, we're working with the VTA on a bike share program. That's been expanded to a Bay Area-wide project that includes San Francisco, the peninsula and the South Bay area. And the goal is to have that system up and running by 2012. And another project that was recently awarded was the capitol expressway streetscape improvements which includes sidewalks, bike lanes, landscaping, new LED lights, along the capitol expressway portion where light rail is ultimately planned and which bus rapid transit service will be in place as part of a separate project. So the sidewalk improvement project has been awarded and expected to be complete in spring of next year. And that concludes our sort of high-level overview. Be happy to address any other questions on any of these or other topics that we mentioned in the report.

>> Councilmember Liccardo: Thanks Hans. You're right we have many members of the public who want to speak. Maybe we'll ask them to speak first and then we can return to the committee for questions. I have Pete Colstead, Scott Knies and Dave Dearborn.

>> Thank you, my name's Pete Colstead. I'm with the Market Almaden neighborhood which sits down by the convention center. Biggest problem in our neighborhood is actually 280 which slices through the southern edge of our neighborhood. Where CalTrans doesn't maintain the property anymore. It's scary, it's weed overgrown just a lot of impacts of that aerial structure. So when we went to the town hall meeting that Hans held in November and were told there would be only aerial choices allowed for this thing we actually sort of panicked a little bit and got involved with the coalition of the downtown association on this. At that point quite greatly they split the visual design efforts of the aerial away from the tunnel so it wasn't going to be determined only to be a tunnel but separated that part of it out which we thought is great. Because we see this as a state-driven project where they've got their own set of rules and requirements. But we're going to be living with the results of this for the next 50 years much as we see 280 now. Then in December, the council pushed back, I don't know if that's the appropriate term for it, but unanimously sent a letter off to the high speed rail with the mayor's signature on it saying listen, we would really like to you press on this. Then in January this coalition had meetings with the Department of Transportation, Hans's people and really we made a lot of progress in looking with a new set of glasses really about what this best tunnel option is. We are very pleased with what the progress is right now. If we still end up with an aerial, at least we feel there's been a legitimate effort to study this thing. And just in closing let me say one thing I think to save a little money because of the budget things and everything you can pull the word acting off of Hans's stationery and business cards.

>> Councilmember Liccardo: Thanks, always glad to have you as an advocate. Welcome Scott.

>> Good afternoon, Chair Liccardo, members of the committee, Scott Knies, executive director of San José downtown association. The association is one of 14 different neighborhood and business associations that form this community coalition that got together to come up with options for high speed rail. Our objective is to have the very best system for San José. Not the best system for the California high speed rail authority, but the best system for San José. To that end our objective is a little bit different than what Pete described. We would like to see the best alignment above ground and underground, studied in the EIR. We think only then when you have that level of information and detail, will you as policy makers, be able to select the best alignment. We don't want the underground just to be a comment. In the supplemental EIR that's to be released in June. We want this to be

a full EIR study of both options. That's going to require you the policy makers to really muscle up we think over the next few months because the California high speed rail authority staff have been very clear that they don't want San José to have an underground option. It's only because of your unanimous vote on December 7th, Councilman Campos, one of your first actions as a councilmember, thank you very much, that were even at this point today where we've been working with Hans's staff to come up with what might be the best tunnel option for San José. It wasn't the one that was presented to you earlier, and that had been summarily rejected. What we're looking on now, we're going to need a little bit more time to develop that and we're probably going to need some extra money to do some independent engineering analysis. You do have ARUP under contract. The City of San José has Ara under contract, they're one of the best tunnel engineers in the world. They're working with you on the visual design study for the aerial. They're with you on the MTC grant on the Diridon plan and that's probably going to be one of the things we're talking about. As Hans mentioned we're meeting tomorrow with our little technical group and much more wonderful information is going to be revealed, so let's stay focused.

>> Councilmember Liccardo: Thanks, Scott. Welcome, David, followed by Roland Le Brun. I'm sorry, forgive me if I mispronounced your last name, Roland.

>> Good afternoon, my name is David Dearborn. And the batteries in my palm top -- First off, I'd like to thank DOT staff and the council. First of all staff for taking a serious look at the very best of two alternatives from a world view and the latest technology. San José deserves it, so does Silicon Valley. Thank you council for supporting and voting unanimously to keep the underground in the EIR going forward and let the light of day make the decision. If it's economical, it's economical. That said, if going forward, both are in the EIR, and either one falls out, with the flip of a coin, the economic opportunity for either, for each one, is different, because they are different. And from that point of view, it would be appropriate for probably the best economic development minds in the city, and land use planning in the city, to be a part of the discussion and examination of these going forward. That said, again, I want to thank you for taking a world view, a good look, and thinking the best for San José for the next 50 to 100 years. Really appreciate it. However it turns out, thank you very much.

>> Councilmember Liccardo: Thank you, David. Mr. LeBrun.

>> My name is Roland LeBrun. I will touch briefly on tunnels but that's not really what I want to talk about. I always like to thank Hans for his nice comments, and I know Hans' last concern is cost and I've got some great news for him coming but that's not what I want to talk about.

>> Councilmember Liccardo: The tunnel right?

>> I'm going to make him really happy tomorrow. The thing I really want to talk about is the Blossom Hill overpass which is near my house. That overpass is one of my dreams. And I fully appreciate that it has been located at the exact position where the little boy was killed. But the fact that people are crossing there, you have to understand the history behind it. The history behind this, and the reason they are crossing there is because Endicott Lane used to be blocked off at the IBM site because it was IBM private property, and that is no longer the case. And the only issue I have with the project is first of all I really -- I don't know what kind of outreach took place with the community but whatever the VTA did is not what we normally expect in District 2. And the other issue I have is that as far as I know there has been no pedestrian traffic study carried out. People haven't bothered to find out where that poor lady and that little boy came from. I know where they came from. They came from the magic sands you know mobile home park. And there are other people over there that live in McCarthy circle, they all try to go into the same place. And the only logical place for that overpass was at the end of Great Oaks. And I was dreaming about this because when I come with my bicycle, Sam will sympathize with me, that was my connection to CalTrain. It is not there anymore, it's gone. Now they're talking 100 yards down from where the bridge is, we are going to have a tunnel. And you know something's not right there. I'm not saying we can stop this now but we need to put some kind of policy in place to make sure that whatever happened here doesn't happen again.

>> Councilmember Liccardo: Thank you, Mr. LeBrun. We now have time for comments and questions from the committee.

>> Councilmember Campos: Just one. Getting back to the EIR for the high speed rail plan, if I remember correctly, our vote was to ask for, you know, the EIR to include, you know, studying the tunnel option. I believe --

and my colleagues can correct me if you understood it wrong. That was to do as Mr. Knies had talked about, is a -- you know I mean a real study and not just -- you know just a small one page addendum to the EIR. Can you give us an update as to what the high speed rail authority understood our direction?

>> Hans Larsen: Well, yeah. So you've correctly reiterated the council direction and consistent with what Scott Knies mentioned, the direction to have a full study of both evaluated and tunnel options in the full EIR. What high speed rail has done as part of their alternatives analysis which is part of the environmental process is they've looked at a range of options, multiple elevated options, multiple tunnel options and their staff has recommended that there's really only one option for San José that is practical. So at a staff level they've dropped out -- they've done I would say a considerable amount of study on the issue. But they have screened out the tunnel options from getting a full environmental review. The opportunity that we have from a process standpoint is that this issue of what is in the scope of their environmental document for the piece that deals with Downtown San José, this will be coming to the high speed rail authority board at their meeting in June. And so what we're striving to do consistent with council direction is to refine a description of what we see as the best tunnel option for San José. High speed rail looked at some options, when they characterized it as a representative tunnel. We found that it had some issues with it and we think that there is a stronger tunnel option that would best meet San José's interest. So we're working with the coalition and our technical team to sort of refine and define that option and then make another pitch to the high speed rail authority to take a look at that and reiterate the city council's direction. So we're working -- my goal is that we really within -- I think we're close within the next month or so where we kind of have a tighter technical description that we can get that back out in front of high speed rail authority staff. And see what kind of response we get.

>> Councilmember Campos: Okay, yeah because I think the last thing that any of us want is for us to get so far down the road and then all of a sudden we've got a CEQA lawsuit on our hands because we haven't, you know, done the adequate vetting-out of you know really what are our options. So thank you for that. Then the last thing I had was, you know, as we -- as you're reporting out on all the different transportation projects, and what our alternative modes of transportation to study and put forward, one of the things I just wanted for you to keep in mind is that, and along the Alum Rock BRT corridor I know that there's a portion of Alum Rock that's just not wide

enough to accommodate bike lanes. So I know we're looking at using a parallel street for the bike lanes to go through. Just wanted to make sure that that gets -- that it doesn't fall off, because that is you know you're probably aware that I'm sure district 5 is probably -- probably District 3 also, probably has some of the highest numbers of -- you know of citizens in our city that bicycles are their only modes of transportation. And that's what they're using to ride to work. And so I think that we need to continue to look at more you know thoroughfares for them to get through. Not just the Alum Rock corridor but in particular in District 5 at other areas because as I said, that's their only mode of transportation. Thank you.

>> Councilmember Liccardo: Thank you, councilmember --

>> Hans Larsen: If I might just respond to that quickly. What you're referring to, Councilmember Campos, is the San Fernando San Antonio corridor. That has been the plan with just right-of-way limits in the Santa Clara Alum Rock corridor. We're looking to the corridor just to the South is where we focused the bicycle infrastructure. I believe it's next month, April or if not then May, we'll be coming back to this committee with a report on the progress of developing the City's bicycle transportation system. And that connection from East San José into Downtown San José, and the San Antonio, San Fernando corridor previously has been highlighted as one of our top priority projects so we'll give you an update on how that's developing.

>> Councilmember Campos: Okay, thank you.

>> Councilmember Liccardo: Councilmember Rocha.

>> Councilmember Rocha: I have a question about an item that's not on here and that's relinquishment of the expressway system and how that -- does that fit in at all in terms of regional, or does that not fall under the regional issue?

>> Hans Larsen: We have -- the relinquishment projects, and I think there's a paragraph on it, is on the state highway system --

>> Councilmember Rocha: So 82 and 130. I was thinking more of the expressway.

>> Hans Larsen: Right, so, yeah. There is not -- it has been raised as a concept to look at capitol expressway and Almaden expressway for potential relinquishment to the city. The portion that is under any kind of active consideration is the portion of capitol expressway where the light rail would be extended to. And what the direction has been between the council, the county, and the VTA, is that at such time the light rail project goes forward, we would then execute a relinquishment of capitol expressway from the north down to 101. But in terms of the other corridors, there's not any active work that staff is doing between the city and the county to pursue relinquishment of other parts of the expressways.

>> Councilmember Rocha: Okay. I only have one question, it's more of an informational question in terms of the BART project. Can you explain a little bit to me, new on the committee, the phasing of the BART system and how we went about doing that and sectioning it off so woe can proceed with the funding I guess request to the Berryessa station?

>> Hans Larsen: Yes, one of the things that was identified is the cost of the entire BART project, going all the way from Fremont to San José, it's a $6 billion project. And it was very challenging to be able to pull together that amount of money, in a period of time to be able to deliver the entire project at once. I know that had been, you know, the goal of the council to be able to do that in the community. But from a fiscal perspective, that wasn't practical. And so what the VTA board decided was, breaking the project into two segments, with the first piece being from Fremont to Berryessa, which was the one that I mentioned here today, and then second phase, from Berryessa to Downtown San José and eventually up to the airport area. So things are looking very good in terms of the funding package for phase 1 to Berryessa. I know there's a commitment from the city and the VTA to kind of continue the progress, and work on the next piece, and seek out opportunities to do that.

>> Councilmember Rocha: So for me to understand a little bit better what does it mean by to move on phase 1 and not the phase 2, just prioritize the phase 1? Does that mean we're not working on any of the issues for the Berryessa to downtown? Or how does the focus work, I guess is what I'm asking.

>> Hans Larsen: Yes, there was -- there was work that was initially done for the entire project from downtown to the airport. So environmental clearances were completed and 65% design was done for the entire project and then really the fiscal reality hit that we weren't going to be able to pull all the money to do the whole thing at once and so that triggered the phasing process.

>> Councilmember Rocha: So 65% design and EIR work is done on the Berryessa to downtown?

>> Hans Larsen: That's correct.

>> Councilmember Rocha: Okay, thank you. And that general question in terms of how San José and the city council kind of identifies our priorities for transportation. Trying to think back to the years before, when I was involved a little bit more. Transportation, something for lack of a better word, where do you approach the council mayor for priorities and talking about this? In a whole new world now of budget deficits is there a place to have discussions about where we're going to spend our dollars regionally or locally?

>> Hans Larsen: Yes and actually there's a process coming up, I believe it's every three years or every four years, the VTA does an update to their regional transportation master plan called Valley Transportation Plan. The new one will be a 2040, VTP 2040. And as that is developed, it's an opportunity to identify really the long term projects but in the past we've used that as an opportunity to really focus on what San José's priorities as part of the regional plan, really looking at say a ten-year horizon. And we have documented really those ten-year priorities, as part of the budget process that's contained within the traffic capital improvement program. So there's actually a table in there that highlights what those are. I think we're in the process of doing the new four-year update. I think last time that we went through that, we did work with this committee to identify both the City's long

range priorities and short range priorities, and so as part of the upcoming process, take a look at something similar along those lines.

>> Councilmember Rocha: And is that this year? When you mentioned four year when would be the next-

>> Hans Larsen: Yes, the work is getting started just literally right now. I would say between now and Manuel do you know when the plans --

>> Yes I mean a lot of the work is going to be occurring over the next couple of months as we start to deliver the priorities. I will have to get you an exact schedule for kind of VTA implementation and moving it forward though.

>> Councilmember Rocha: Then we do our work and then we submit ours to the VTA board, or do our members that are on the VTA board carry that up?

>> Hans Larsen: Yeah, a lot of that is -- it's staff kinds of pulls -- VTA collects information from staff of the various cities. They pull it together into a plan and then it gets vetted through the VTA board. Are I would say one thing we can take a look at as part of the work plan for this committee is look at an appropriate opportunity where we could have that kind of review for this year's process. That would be really good. Do the other cities submit their work or are we kind of sole-focused?

>> Hans Larsen: Yes, so each city within Santa Clara County would --

>> Councilmember Rocha: They submit to the VTA --

>> Hans Larsen: -- get the call for projects and VTA processes through that.

>> Councilmember Rocha: Okay.

>> Hans Larsen: I would add though, I think last time around similar to the City's general plan update we're in the midst of doing a comprehensive major update. Last time around, when the VTA did their 2035 plan, it was an almost start from scratch, do a comprehensive effort. The character of this update is really more of a I would say more of like a general plan amendment. It's intended to be more of a minor tweaking of the plan. There actually based on MTC's revenue projections, they're actually looking at having less money for this year's planning cycle than this time around and that's a reflection of the economy. So I think the likely outcome is, there might be projects pulled off of the plan or it's fairly static this time around but certainly I think it's an opportunity for the committee and the council to perhaps weigh in on out of projects in the 30-year plan, is there something we might want to consider changing in terms of our near term priorities. And so I think we can follow up and create that opportunity for this committee.

>> Councilmember Liccardo: Why don't I make that recommendation, Ed, why don't we add that to the work plan, I think it might be useful for us.

>> Councilmember Rocha: Okay, great.

>> Councilmember Liccardo: I might just add, Hans explained very well the decision around phasing on BART. You know, more than anything in the short term was really driven by our need to present FTA, federal transit administration, which provides this new-starts funding, that we need so much, a phase that would essentially qualify for funding. And the tunneling gets very expensive so we presented a lower cost phase that ensured we could get through the gate. I appreciate the creativity of our team and VTA working together to make that happen. I just wanted to follow up on the high speed rail. I know that the community's worked very hard in presenting an alternative and I really appreciate your openness Hans and that of your team to looking at this deep tunnel option because I know that high speed rail was already sort of focused on a shallow tunnel. And as I understand it really the big question is, is there any way to close the gap in the cost of that? There's a way to reduce that $2 billion price tag or whatever it may be at this point that may attach to that tunnel. And certainly I've had some conversations with Scott and I appreciate Mr. LeBrun's work on that. I really haven't really talked to Mr. Le Brun about it, but I know he's been behind the scenes doing a lot of the thinking around engineering. And I

know we exchanged e-mails recently, Hans, about the money that VTA forwarded to Gilroy to look at different alignment options. Is there any means in which we could simply focus an independent consultant of some -- or anybody in our own team and give us very reliable data, that's independent of high speed rail authority's consultants about the cost of that deep tunnel so that we can be satisfied and we can present the high speed rail authority and the public information that we're very confident in that will really tell us what the difference is?

>> Hans Larsen: Yeah, I think that's one of the task force that the technical team is looking at. So one is really to refine what the best tunnel option is for San José but what one of the big questions is what high speed rail has reported is a big cost differential between tunnel and aerial. So what we have -- I have my staff team looking at and we have gotten a tremendous amount of information from Roland and others in the community that have scoured the Internet for engineering reports from all over the world that have cost information on tunnels. And so we're kind of sifting through that information to try to reconcile what we think is a realistic cost for tunnels. And I think depending on where that goes, I think this is one of the areas where we may benefit from some outside expertise. And that's something else that the team is looking at, is what are the key questions in which we think we need some additional technical information. I think clearly we can't afford to have somebody start from scratch, and you know, redo this but there's been a lot of good work that's already been done, let's pull that together and then you know define where are the gaps in the information that's really important for the community and for the policy makers to make a decision on this.

>> Councilmember Liccardo: And I appreciate time is of the essence here but is there a funding cycle of CDT that we could get into that would enable us to be able to leverage the money from the outside to be able to do what you just described?

>> Hans Larsen: Well I think time is of the essence. I can't really imagine from a process perspective being able to tap some outside sources, and so I'm kind of -- my optimistic view is that we're looking at something perhaps in a $50,000 range where that would answer the questions and I think that ultimately it would coordinate with the City Manager's office and possibly counsel. But for a small dollar amount under $100,000, you know for getting important information that we need, I think we'd take a very close look at finding a way to cover that.

>> Councilmember Liccardo: Okay, and in terms of certification of the EIR that's scheduled for June at the rail authority's board?

>> Hans Larsen: No, what they -- that is a supplemental alternatives analysis report in June.

>> Councilmember Liccardo: Okay, oh, I'm sorry, forgive me. The EIR process --

>> Hans Larsen: So their schedule is for release of the draft, I think it's December, December of this year.

>> Councilmember Liccardo: Okay, thank you.

>> Hans Larsen: When the draft would come out.

>> Councilmember Liccardo: So -- but we want to get information to them by June so it's being evaluated? I'm just trying to understand the time line a little better.

>> Hans Larsen: Yeah I think the most important piece is in the near term to define the alternative that we want them to study. Then we can make that request and I believe that we can get to that point within the next couple of months. The analysis of the costs, you know, I think that's -- that's something we have a bit more time to work through. I think it's an important piece of information, you know, for making the policy decision on, you know, the various choices that are out there.

>> Councilmember Liccardo: Great. And then, last question, on the bottom of page 3 it discusses the HOV lane project on 880. I'm not sure why this was never discussed at the regional level in the discussions of VTA and MTC that I've been a part of, it looks like an HOV extension and not an express lane extension, is that correct?

>> Hans Larsen: That's correct, it's an extension of the HOV. The VTA's priorities for express-lane projects are in other corridors.

>> Councilmember Liccardo: Right.

>> Hans Larsen: 101, 237 -- 101, 85, and then the 880-237 interchange connection.

>> Councilmember Liccardo: Right. Which is quite imminent, I guess. I guess my question was, if we're going to undergo this construction anyway, and it's considerable, it's $95 million, you know why not throw it in there too and generate some revenue? Has there been some --

>> Hans Larsen: I believe in order for it to be successful as an express lane corridor it would need to be part of a larger system that extends further North. I think we're looking at about three miles or so.

>> Councilmember Liccardo: Okay, great.

>> Hans Larsen: If I might Mr. Chair, the comments from Roland LeBrun regarding the Blossom Hill overcrossing, we received some comments from him and another gentleman in the community, Martin Delsum, that had some questions about the location of the Blossom Hill pedestrial overcrossing. And I know my staff is planning to get back to them. We think that there are a lot of different places that people come from and go to within that corridor. And I think we feel confident that we've placed the bridge at the right location. There are some other sidewalk improvements that are being planned in the area, as well as a connection to the CalTrain station, that are part of a larger system plan. And we'd be very happy to take the opportunity to explain to Roland and others how this all ties together.

>> Councilmember Liccardo: Thank you. Thank you Hans for that. And also just a follow-up on Councilmember Campos' point when you do come back with a bike plan, we are looking at the East-West connection because I know that that's a critical one. We have a lot of bike deployment. Residents in the east driving downtown. The

concern was raised with me that that San Antonio connection to build a bridge may be nothing more than share rows as opposed to a separate lane or any kind of enhanced kind of infrastructure so I'm hoping that we can have some in depth conversation around what the quality of that connection is going to be.

>> Hans Larsen: Sure, be happy to discuss that at the next meeting.

>> Councilmember Liccardo: Thanks Hans. Unless there are any other questions or comments, motion?

>> Councilmember Campos: Move to accept staff report.

>> Councilmember Rocha: Second.

>> Councilmember Liccardo: All in favor, that passes unanimously. Thank you. Thanks gentlemen, I guess you're staying there, we're on to the car share program, item D-3.

>> Hans Larsen: Okay, our next report, I'm going to have Laura Stuchinsky join me on this one.

>> Councilmember Liccardo: Welcome, Laura.

>> Hans Larsen: And for this record we're asking that the committee forward a recommendation to the full council to support the launching of a car share program in San José. This is a very significant milestone as part of our portfolio of items to encourage alternative forms of travel in San José, and particularly around the downtown. Talk a little bit about the history of this. This was initiated through a memo from Mayor Reed, to Sam Liccardo, and Vice Mayor Chirco back in October of 2008, that promoted a number of transportation innovations and this is one of a package of items included in that report. As we discussed with the committee at subsequent meetings of T&E, we focused a particularly separate effort on development of the car share program. And as we've incrementally worked to forward this, this has been a topic of some progress reports over the last couple of years. Like to just highlight the outreach that we've done that's really formed the basis of our

recommendation. We really sought to look at the best practices of programs that are around the country, looking at the car share service providers. You can see listed there some of the other cities that have car share programs. We've also more recently talked with some of the interest groups in downtown area that have an interest or benefit from car share. Overall, there has been interest on and off in terms of car share, in terms of the private sector, actually, coming in as they've done in other cities, and say hey, this will work in certain cities, and they -- the programs did not need to have any kind of special incentives. One of the challenges that we've had in the downtown is, we don't have the level of density that you know a larger city like New York or San Francisco would have. So what we sought to do was look at what it would take to create an environment in which a car share service can thrive here. And so part of the outreach that we did was to look at what we could do to make this successful. And so we found that we would need to offer some incentives, and this is what we're recommending that the city council give us approval to consider. And the package of incentives that we vetted with the various stakeholders, and service providers, that we think will put together -- allow us to put together a successful package are the first six listed here under the primary incentives. And so the first one importantly is to develop a partnership with San José State University, and then also link in the program with the City's fleet vehicle system that's based here at City Hall. And what this does is, it builds in a market of kind of dedicated use between the students at San José State, that would likely use the service on weekends and evenings, and use by city employees as part of our fleet vehicle system during the day. And so this creates a synergy in which you have car share vehicles being used on a -- you know almost not quite 24-7 perspective but get a lot of usage that makes the system viable. There are some other incentives that have come from the successes of other cities that have done this. One that's been highlighted is our ability to provide free parking within city garages as a real incentive to bring in the system that they don't have to pay for parking, that we provide dedicated spaces. This is something that we've done with electric vehicle charger stations. We've done that to promote our green mobility programs. Another key incentive is to dedicate onstreet parking spaces for car share vehicles. Many cities provide very prominent locations on street for the parking of the vehicles. Another incentive is to provide marketing, that we would help promote the system. And then the sixth incentive is to offer the services from our Public Works general services department to actually maintain the vehicles, much as we do with our current fleet. So that's the package of incentives. We're asking for council to bless that we could offer these up in an RFP, in order to attract car share service to downtown San José. There's a number of other things that we can do. We can provide

enforcement on the on-street spaces to make sure they're available for car share. We can additionally provide LEED certification for developers that are coming into San José. So this is kind of building a bit more towards the future how we can ensure the success of the program. They get LEED credit. They get the benefit of reduced parking requirements. And we can have developers actually require car share spaces as part of their developments. And so these are things that other jurisdictions are doing to help expand and ensure the success of the program. So again, we are seeking council concurrence on the package of incentives. And following that, we would proceed with doing an RFP. So Laura and myself are here to answer any questions and I think Randy Turner is here also for Public Works who can speak to parts of the program, particularly the are integration with fleet vehicles.

>> Councilmember Liccardo: Thank you Hans, thank you Laura. Any questions?

>> Councilmember Campos: Thank you chair. Let's tart with the integration of fleet vehicles. If we do move forward, with this, and we are integrating our system, so that I'm understanding the vehicles won't be under the ownership of the city, we would be basically renting into the system. So are these vehicles going to be -- there's going to be generic vehicles. How will the general public know those are -- it's us out in the neighborhoods? It's the city out in the neighborhoods coming to you know, to help or do whatever our workers do in the community?

>> I think easiest way to address that Councilmember Campos is that we would apply magnetic signs on the vehicles that during the day when our staff is using the vehicles they would be clearly identified as official city vehicles.

>> Councilmember Campos: Okay. And then my other question that I have is, again, this almost seems like the model that the rental car companies sort of use, right? You go in and you recent car, in this case you apply for membership. It seems like a lot of people that would really benefit from this, might not be able to qualify. For example, those that might not own cars, can't afford to own cars because you know they don't make enough money. What if they, you know, we've got residents with no credit history or poor credit history. How -- it would seem like that would be a constituency that we would want to benefit. So how are we getting around that?

>> The requirements vary from car share company to car share company, but part of the idea of car share is different from rental cars is that you can rent them for very short periods of time. In fact, there's one car share company that's also allowing you to drive it in one direction, which is unusual among car share companies. So you could rent it for just a matter of 20 minutes to deliver a load that you have, heavy grocery load, and that's all. And the price therefore is much lower than it would be for renting a car certainly and certainly for owning a car. The whole idea is to make it affordable to use it just on the times you need a vehicle when most of the times you don't.

>> Councilmember Campos: Right, but how -- who gets to use these? I mean, obviously account rental car company you have to have a credit card. You have to be able to -- so they identify you and if something goes wrong with the car, they charge your credit card. People who have credit cards generally they've established a history of credit. How do people that you know don't have a history of credit or have a history of poor credit it would seem you know and it's not just low income families that you know might have had you know we're in a bad economy. How do we ensure that some of our most needy constituents really can -- you know aren't being eliminated in the ability of benefiting from this because either they don't have a established credit history or they're going through some rough times?

>> That's a good question. I haven't delved into that depth in terms of their criteria. Most of them list very simple criteria. You have a driver's license, for example, but I can dig in deeper and find the answer to that.

>> Councilmember Campos: Because again this is part of a bigger issue that we're dealing with as we're you know as we have a -- our city is on the forefront of, you know, being environmentally conscious. Being environmentally conscious now is you know, more expensive. So it seems like we eliminate some of our community that could really benefit you know from this, or from any, you know -- you know any program that's designed to you know to make our city more green. So I would hope that as we move forward that we really you know study this and see how can we make sure that no one is eliminated from the ability to participate in the program because of their economic status at this point.

>> Councilmember Liccardo: Councilmember Rocha? Councilmember Herrera?

>> Councilmember Herrera: Thank you, Mr. Chair.

>> Councilmember Liccardo: How about Councilmember Rocha and then Councilmember Herrera.

>> Councilmember Rocha: House about -- did you engage the taxi community at all, popped into my head, would this affect their market?

>> No, we did not contact the taxi community. We were mostly focused on whether there would really be really an audience that wanted to subscribe. So trying to test it out from the business community and residents from the downtown area to see if there was an interest. We were assuming there would be but that was mainly the purpose of our outreach.

>> Councilmember Rocha: So is the downtown residents association, is that made up of existing residents, downtown high rise developers included in that?

>> We met with the downtown association and it didn't appear that there were downtown developers that were members, it may be but it appeared to be residents of downtown.

>> Councilmember Rocha: Here is a general question about youth, is there any restrictions with youth in terms of distance and time, or is it how much you can afford, you can use it and drive it as far as you want?

>> There is a range that some of the car share companies encourage or provide financing that's more encouraging of shorter trips, but others including some rental companies allow for multiple day use. So it's quite the gamut. But yes you can rent it for the day as well as for small trips.

>> Councilmember Rocha: As far as the RFP do you expect to present that for council consideration or input or is approving this report then you go off and design the RFP based upon whatever discussion there is I guess today or the documents?

>> Hans Larsen: Yeah, I think our intent is with council blessing of the incentives, so here's what we're offering something of tangible value like free parking, and such. We would structure the RFP and then put it out and we'd come back to council, and report on the results of the RFP and really the follow-up negotiations. So in terms of process, is it rare or never possible, that RFP would come back to council for review or comment? Or is it traditionally just move with direction on the concept?

>> Ed Shikada: Perhaps I can respond to that from a citywide perspective. In general we would typically have council set the parameters for the RFP and then staff would go off and work the specifics of the document. The only times that we've had -- I won't say the only times but coming to mind the primary situations in which the RFP itself would come back would be very significant multimillion dollar investments. And even within that context we've backed off having all of that detail come to the council over the last couple of years.

>> Councilmember Rocha: Okay, thank you. So I'll just bounce back to one of the earlier questions and that will be my last point. In terms of not engaging the residential developers in the high rise, I can see that more as an incentive that they would offer potential residents looking to sell their units or lease their units or sell their units or whatever turns out to be the type of development, but that's just a thought or a comment, so thank you.

>> Hans Larsen: Yeah, I think just to speak to that, I think that was one of the original impetus for looking at this, in the memo that Sam co-authored on this. By having a car share system in the downtown it creates an opportunity for let's say high rise residential developers to come in with projects and not have to provide as much parking. And so that can reduce the cost of high rise development and make the development more attractive in that you have transit services and will develop a great bicycle system. But one of the things that people -- a reason why they need to bring their multiple cars with them to, say, a downtown environment is the few times in which they have a couple or something they both need a car and so they feel like they need to have two cars

most of the time. But if most of the trips can be taken by walking biking and transit and they have the occasion car use having the ability to have, may be able to have access to a car share system really encourages people to have less cars which ultimately is more affordable and so it's more affordable for those that have lower incomes. So then there's certainly that benefit.

>> Councilmember Rocha: I way thinking more like the ecopass, more the property owner the other than having the opportunity to get the incentive through a pass. But anyway, thank you very much.

>> Councilmember Liccardo: Yes, there are developers now that offer ecopasses and I know our Planning, Building, and Code Enforcement department is looking at that as an ongoing sort of mandate that's not incentive to downtown development. There will be more to come I'm sure. Councilmember Herrera.

>> Councilmember Herrera: Thank you chair. Apologize for being late, I was over at San José State, one of the partners here, speaking on women's history month. This is exciting this car share program, I came in sort of halfway through the presentation, it looks like it's a pilot really. Is this really a testing it out, looks like you're focused on the downtown and San José State and focused on replacing some of our vehicles so that we can be more cost effective in terms of our fleet. And so I'm looking at it as the first, if not pilot it's the first testing.

>> Exactly. I think the program we want to develop downtown will be scalable so we'll build on those successes and things we learn and be able to take it out community wide.

>> Councilmember Herrera: Are we talking about ten or 15 vehicles? Or did you say it?

>> The existing pool on this facility if we were to take that fleet, we think we could replace it with five car share vehicles and from those experiences have learned what the utilization is, adjust accordingly and use that knowledge to expand out citywide.

>> Councilmember Herrera: So then you're looking at five. I guess I'm just trying to understand how many vehicles would you think you would put into service initially?

>> Initially, I think what we'd be looking to do is put five in place.

>> We're also going to use the RFP to think what the car share company, I'm learning that so many different models, one company would want to come out more because they feel they could be more successful that way.

>> Councilmember Herrera: I love the San José State partnership. I think that -- and so would they, then, be contributing financially as well as partners, or how would that work?

>> No financial commitment, just a commitment to market their program to faculty, staff, and to students.

>> Councilmember Herrera: And again, I think -- and to my colleague, Councilmember Campos, who commented about affordability, I think this is exactly the kind of thing we should be looking at so people don't have to have two or three cars and that they could -- and hopefully we expand the transit system so people can use that and then augment it with this type of car sharing. It's important that we get this right that we prove this out successfully with the city vehicles, with San José State, with whatever folks can use it downtown so eventually we can roll this out to a wider area. I think it's exciting. In terms of a maintenance contract that we're talking about maintaining that service, is that cost neutral or are we going to go into business servicing their vehicles?

>> We want to explore that as an option. If a car share company feels like that's something that works better for them, then we've certainly got that capability. We've got some experience in past years with the Toyota Rav 4 program that worked really well for Toyota, North America an the city. So we want to put it out there as an option --

>> Councilmember Herrera: Would that mitigate our cost? Are you saying we could bring in more revenues, too?

>> We would look at -- ideally, it would be cost neutral. If there is opportunity to generate revenue, we'd certainly want to look at that.

>> Councilmember Herrera: Always like the revenue possibilities. Yeah, I just think it's great. It meets Green Vision goals, it's looking at ways to get people out of owning -- the total cost ownership of cars which is really expensive. You guys probably know, is there some number of cost of leadership versus if people were to almighty with this car sharing strategy? How much they would save? I mean that puts money back into people's pockets so they can buy food so they can pay for things for their supplies for kids and all that. If they're not sinking all their money into a vehicle. So I think it's a really good way of distributing folks' ability to use their income to improve their quality of lifelong term so it's a great start. Thank you. And I'd move approval.

>> Councilmember Liccardo: Can I get a second?

>> Councilmember Rocha: Second.

>> Councilmember Liccardo: Great. Thank you, Laura and Hans and Randy, for your work. I know the three of us have talked a bit about this proposal and how we go out with it. I know the examination of using a reduction in parking ratios as an incentive is something for additional exploration. Could you remind me why -- is it because we haven't had any development in the last couple of years that we really haven't more fully explored up to this point, is it simply because there isn't development to be talking about at this point or --

>> We haven't had the program in place. If we have a program place and development comes back we think we stand in a good position to be able to make it to encourage developers to take up this item.

>> Councilmember Liccardo: Okay, because I mean I'm having developers, you probably saw an e-mail from me Hans, last week, I'm having developers come in to me now saying, we want reduced parking ratios. And I'm saying great, we have programs for you to pay into if you want reduced parking ratios. Well, we don't yet, but I'm

hoping we will. And so instead of this case, I'm talking about Vendome Place, and I know the same developer is looking in North San Pedro at a project that may be tough to pencil, but could be quite workable with less parking. So is there an opportunity now for us to start to engage with those developers and say hey, can we -- let's not cut a deal at least come up with some plan which will allow you to park less, if you help fund a program like this?

>> Hans Larsen: Yeah, I think we're happy to look at that. I think that was one of the original ideas that we recognized we didn't quite have the market where car share company could come in by itself, I think was the initial suggestion to see if we could develop some financial incentives. But there wasn't any -- you know, right after then the economy tanked, and there wasn't any development or developers interested in working with us. So that we followed this well what other kind of incentives can we offer. But I think certainly we're optimistic that we have with the package of incentives that we can bring in a program, and if development activity is picking up and we've got other projects we're certainly happy to engage with them and look at whether there's -- to get it up into the Vendome neighborhood requires maybe some financial assistance or what we learned from this process, we'll help facilitate conversations on other projects, we're happy to do that.

>> Councilmember Liccardo: Great, thanks Hans. And you know I was just thinking of other potential sources of incentive funding. We've got a lot of protect it intersections in and around the downtown where transportation impact fees can't be used to expand roads and so forth. Would there be some openness that some portion of the TIFs could actually be used for a program like this, as well? If we thought this was a promising way to get people out of cars?

>> Hans Larsen: Well, certain, we have the TDM measures that we encourage that basically drives the number of trips down so participating or developing a car share program certainly helps on the TDM side of the equation that it is you know by itself creates some incentives for developers to do that.

>> Councilmember Liccardo: Okay so implicit in the calculation --

>> Hans Larsen: In way that their traffic impact fee would be less for protected intersections if they're able to increase the amount of trips through a car share program or some other means.

>> Councilmember Liccardo: Okay, I mean, I appreciate what you're saying and I definitely see there are several inferences where you can get there. I'm hoping we can be as explicit as possible in presenting this as an option, because I'm not sure developers will go there unless we put it in front of them. And so with all that I guess what I'm talking -- where I'm going with all this is, whether it comes from a developer contribution or through a TIF or any other means is it possible that craft an RFP that would include an add-alternate, that would explore how large a program a car share program would be willing to create if they had an additional source of funding on the outside? That would be probably one time funding from a developer. So we had some sense that if there was a 50,000 or $100,000 contribution could we really get enough critical mass to make this work? Because what I think we all worry about is having a program that is so small and so really invisible that it really doesn't take off. I mean, the RAD program obviously very innovative, is worth doing, I don't think any of us deny that. But didn't really take off for lots of reasons having to do with the industry. And I sense for this to work it's really going to require some critical mass. So I would just ask if you could consider that as you're tracking the RFP, to consider an add-alternate of really asking the question of what would it take for you to scale up in terms of contribution. And we may well have the means to be able to get there from developer contributions. I guess the last thing I'd offer again I appreciate all the work that's gone in this report, I think it's great. In response to Councilmember Campos, the concerns were well expressed. I think the reality is that you know, this is going to be something that expands access to the automobile, certainly for some who cannot afford it but it won't be universally accessible. And you know, obviously that's a concern to all of us but we don't want to make a perfect enemy of the good. I think there will be greater affordability. It's impossible I think to craft a program that relies on the private sector that's going to be absolutely open if there's any requirement for credit or credit cards or anything else. I think what we've seen in the experience of Emeryville and Berkeley and other cities that have done it that often car share program supplants the ownership of a second car. It doesn't necessarily completely eradicate car ownership, obviously a lot of folks still need the car, but they're willing to get rid of the second car. And obviously, that's a huge benefit to everybody in terms of parking and access and everything else. Anyway, thank you. We have two members of the public who wrote like to speak, Roland LeBrun and David Wall.

>> Okay, this is going to be tough. I've got to give you an hour presentation in two minutes okay? But before I do that let me explain to you my relationship with ARA. There is absolutely no questions of financial or anything else. I literally discovered them during my last trip in Europe, when I was researching the high speed line behind my house, find out who was behind it. That's how I discovered ARA. While I was researching them I found a solution, which is exactly what you're looking for. It's called Halo IPT, H-a-l-o IPT. And the way it works is that you've got magnetic pads which are scattered all over the city, and you've got electric cars that have got a similar magnetic pad under the car. When the car goes over the magnetic pad, it automatically recharges. You don't have to plug it in. Now, the way it works in the city is that let's suppose we got a hotel, and there's six pads in front of it, and it happens to be a car day. You got two choices, you can get on a pad -- on a cab, or you can walk straight to one of the cars. You open the door, you put your credit card in there, and that's it, the car is now yours. Now, to answer Councilmember Campos' point, the way you make that work for the people that don't have credit cards, you ask them to buy a clipper card. And what they do is they put the clipper card in the car instead of putting a credit card. So basically, this is how it works. Let's see whether I've forgotten anything. Okay, the car knows -- the pad basically that recharges the car acts like a docking station for the car. Right? So the car now knows that it's on top of its pad. And that's how you get your credit card back, that's how it knows how many miles or whatever you've done. Very small spaces, the developers love this stuff, okay? You just tell them, put six pads outside your building, okay, they're happy. You know, the more you've got around the city, the better this thing works. ARA will tell you about the whole financial model. There is no reason whatsoever for the city to spend a cent, and I'll tell you one last good thing about this system. If you have got a pad in your own garage, and the car has got some juice left in the battery, and it knows it's before midnight, you will actually return the power back to the grid. You get a credit back. And after midnight, it will go and take the power back to the grid at a lower rate. Thank you.

>> Councilmember Liccardo: Thank you, Mr. LeBrun.

>> Councilmember Herrera: Very interesting.

>> Councilmember Liccardo: Mr. Wall.

>> David Wall: There are always some programs that are worth to be extolled to the highest amount, as being great, some were discussed today. I'm reluctant to give my true opinion on this one. High density living projects have been and will continue to be a failure. They're a failure from a variety of levels, one of which is trying to social engineer how people live and two from the financial standpoint is that they are losers. That's why the developers want to cut their costs, and not have parking places. We've seen this for several years now, through different committees and we see it here today. What is really interesting, too, despite the learned counsels who sit before me, is the fact that there's no integration with the habitat plan with these vehicles. Who pays the nitrogenous fees for these vehicles? Who does that? But above all who pays period for this asinine program when you're facing a $110 million deficit? The loss of, I don't know, maybe 1200 city employees, how many FTEs alone are to be used for this project? That's not been discussed. Now, in a utopian world, there wouldn't be a problem. This wouldn't be an issue. But this is not for real. This is United States. People aren't going to be socially engineered for long. There are too many problems with this type of, at this point in time in San José's history, to give it any consideration whatsoever. And I would say reject it out of hand until you can show some budgetary profit where you can get into these utopian type scenarios. Thank you.

>> Councilmember Liccardo: Mr. Wall. I said thank you.

>> David Wall: I thought I was going to get (inaudible).

>> Councilmember Liccardo: Councilmember Pyle.

>> Councilmember Campos: Thank you, Mr. Chair. The gentleman that talked about the clipper class, I think that's the first class on some airline, right, clipper class? But the clipper pass, those are the types of again thinking out of the box, so again, we can make it accessible to everyone. My comments in no mean are saying well, you know if those that can't afford it can't use it or won't have access to it, then it's not a good idea. I think it's a great idea. I just think that it just becomes a better product if everyone has access to it. So thank you.

>> Councilmember Liccardo: Fair enough, fair enough. So there's a motion on the floor. All in favor? Any opposed? That passes unanimously. Thank you very much. So this will go on to full council, is that the recommendation? Great, yes. Wonderful. John, Mary, and Kerry brought her consultant today.

>> She's a great fashion advisor as well.

>> Good afternoon, Kerry Romanow, assistant director with environmental services. I'm joined with Mary Tucker, our environmental services program director leading up our energy program, and John Stufflebean, our director. Today we'll talk about our energy program. I'm excited to move into this new format for 2011. Instead of doing our monthly very brief reports we'll do not too lengthy but a little bit broader report on a quarterly basis and we're balancing everything against our strategic energy plan. So you'll see at the back of the report there's a table format and the table format goes over the progress in each of the noted categories in the strategic energy plan and we'll use that throughout the year. Unless there's a request to do it differently. And that will let you know how we're doing in each of those listed items. We have many energy goals related to the Green Vision. Several of them are listed. They go from clean tech jobs to waste to energy programs out at the plant and other related programs. And we're collaborating across city departments. So you know we get to come here and talk about the strategic energy plan but really we're not moving anything forward without a group of supporters throughout the city, and we have results that not only benefit the environment, or create jobs, but they also benefit the General Fund. So make great environmental choices doesn't always have to cost us money. Our progress report is as I said it's related directly to our strategic energy action plan. It's divided into the categories that we laid out in our strategic energy action plan. Those are leading by example, advocating policies, financing mechanisms, strategic partnerships, and community and engagement -- communications and engagement. And with that I'll turn it over to our energy guru Mary Tucker to lead us through the details of our program.

>> Thank you. So here's what we are doing: We are leading by example in the energy efficiency installations that we are making in city facilities, ranging from HVAC, heating ventilation and air conditioning repairs, lighting, airport runway, LED lights, and LED street lights. The majority of the funding for these projects is coming right now from our federal stimulus funds. According to our latest figures that we have from PG&E and ourselves we

received a 10% reduction in energy use from 2008 to 2009. And here's what we're doing in the solar field. We just completed a 1.12 megawatt system of solar photovoltaics at the international airport. This was in the parking garage in the car rental facility. It's expected to provide enough power to offset about 20% of that facility's energy needs and as Kerry told you we work a lot on an interdepartmental energy team and definitely too on our solar projects there's a team from various departments that provide management and guidance from the City Manager's office, the attorney's office, finance and procurement, and also Public Works. Another solar system that has also been turned on in December is the 1.1 megawatt of systems out at the central service yard. These are both ground mounted and solar. Ground mounted and roof mounted solar photovoltaics. We hope to have a sort of it's already been turned on but turn on the meter, in April, a grand celebration and opening of this. We also looked at the water pollution control plant. Through some department of energy assistance and assessment of the total solar potential out at the plant was conducted and there was an estimate that about 11 megawatts could be out there. We started for our first request for proposals for one megawatt and we are reviewing those proposals that we have right now and hope to come back in the spring. We hope to come back later in the spring with our recommendations on that. And then the big RFP that we put out was a request for proposals for 38 different city facilities, lands and parking lots, with an estimated total solar capacity of 12 megawatts on these facilities. So that RFP went out and we are now looking at the initial proposals. We did it in a two-phase process, qualifications first and then we'll get the financial proposals in. And so we expect that coming back very soon and again we'll be coming back to you later in the spring on that. Overall throughout the entire city, both municipal and private sector, there's now close to 20 megawatts of solar installed within the City of San José. And this is the largest number of solar installations in the state. We're also leading by example, and looking at energy from waste. The San José capturing methane out of our treatment plant, from the Newby island landfill and also from treatment plant digesters. And next we're looking at food waste and evaluating its use in the digesters at the treatment plant to generate biofuel and possibly establishing fueling stations for our garbage trucks. Looking at other processes of just getting energy from waste from dry fermentation, anaerobic digestion from other municipal waste streams. We're doing a gasification feasibility study to convert wood waste and biofuels and definitely the potential for using the fats, oils and grease out there. So financing. We have been fortunate to be able to receive close to $13 million of federal stimulus moneys. And this has enabled us to address the City's facility and infrastructure goals of reducing our General Fund cost for energy and providing outreach and tools on financing and education

for the community. Right now, of the -- you see the energy and conservation block grant, 8.8 million was given by formula to the City of San José. Half of that is going into doing energy retrofit at city facilities with the remainder going into getting solar out at our various facilities and the rest for the LED street lights program. As indicated on our report we will be conducting a strategic assessment to identify lives beyond grants. For the energy programs. While still continuing to identify grant and other partnership opportunities for meeting the Green Vision energy goals. One way that we're doing that is through the what we call the City's energy funds. It's sort of a revolving energy funds. This fund acts as a revolving loan for future projects in resource assessment. City council adopted the guidance for this energy fund which takes first and second year savings from our installed energy efficiency projects, along with any of the utility rebates, returns those back to the city energy fund and then those moneys are used for continued funding for a city energy officer whose job it is to concentrate primarily on all of our city facilities and identify where we can achieve savings and then also, have the resources and the moneys to do those projects. So in calendars year 2010, 90,000 in first year project energy savings and 60,000 in rebates and incentives was returned to this fund. And with the influx that we have of the federal stimulus moneys now we expect to see those figures at least double within this calendar year. Advocating policies. Another important aspect to ensure that the policies and legislations are enacted to support the installation of other clean technologies. Some key issues that we are definitely following right now, include the reallocation of the public goods charge moneys and these funds provide key funding for the utility community, energy efficiency programs, of which we implement here within San José through Silicon Valley energy watch. And we're also working on solar incentives for commercial facilities. The moneys have run out on that. There's a hold on that right now until more funds are available. So that will definitely affect some of our facilities. Partnerships, as always, we work in partnership with many key players across the region, state, and on the national level. And that helps us to ensure that we have the most up to date knowledge on energy technologies and applications and ensuring that we have some funding resources directed throughout our community. We are working throughout our community to help our residents, businesses, teachers and students, be more aware of their opportunities to reduce energy and use renewable technologies. We've offered teacher training classes, worked with Work2Future's agree cadre students to enable them to do solar presences at the grade schools and we are out at many community events. In the upper right-hand picture there you will see Maggie the star of that and she is sitting in the front row right now. So Kerry's daughter just happened to be one of ours.

>> Councilmember Liccardo: Does she get an appearance fee for this?

>> Yes. We've also worked to get the kilowatt meters which you see there in the middle. In every library in Santa Clara County for checkout, so now you can find out, check it out at the library, you find out what appliance in your home is really using the most energy in your home. In addition we are offering technical workshops for professionals, and especially for firemen, making sure they don't electrocute themselves when they fight a fire on a building that has solar PV on top of the roof. Working with our permitting office also in making sure that they have the most up-to-date information as they work with solar permits as they come through that office. And I hope that all of you have been able to tour the green -- clean energy showcase our hands-on demonstration of renewable technology. This was across the street from the city, developed with Department of Energy funds through our solar America city project and with the many donations of clean energy companies. Since opening on December 8th more than a thousand people have gone through tours of the showcase. And at our upcoming Earth Day event which is scheduled for April 29th, all of the sites will be full of clean energy technologies and that will include a model green home filled with various energy efficiency technologies. Sun shares. That is San José's innovative group solar purchase program that was conducted in collaboration through the San José credit union as part of our solar America city project. Eventually 35 city employees were able to receive solar PV or solar hot water installations at costs that are 40% below the market rate, to $4.82 a watt as compared to the six to eight that is typical for residential units and that's the lowest price per watt to date in California residential installations. We'll be working with the Bay Area climate collaborative of which San José is a member and taking this model on the road, helping other large employers, employee groups, local governments and other credit unions or financial institutions to replicate or expand the use of solar technologies. We're starting off with a workshop on March 25th for the region to teach them how we did this and how they can do it too. So as you can see we've taken a variety of approaches and technologies to really move the Green Vision goals forward as the center for innovation, we've really embraced whatever opportunity comes our way, we've explored it and tried to create an avenue where lots of other businesses can continue to try out their technologies and hopefully start their businesses here in San José. And you know the areas we want to look towards -- look going forward include the impact of the smart grid on our residents, the energy storage capabilities, in case of a disaster, and many

other new technologies, hopefully, which will continue to be developed leer in San José. So with that, we'll take questions.

>> Councilmember Liccardo: Thank you, Kerry. And Mary. Questions.

>> Councilmember Rocha: I'll be brief. I don't have any. I just want to say thank you, this report was really helpful. I really appreciate the work you have done on this project and thank you very much.

>> Thank you.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Add to the praise there. I had been across the street there, I was there in the rain the day it opened, and probably would definitely want to go back there again for the earth day presentation. So in areas where you -- I have to assume you have looked at most potential areas for solar in city owned facilities and picked the ones that were -- it makes sense to dough it economically. If there are some out there that there's interest from the private sector, are you guys working with them and you know to for feasibility on those things that might not offer as much potential but there's interest and I think of one I'm thinking ever is Lake Cunningham because there's interest out there in my district. I'm not so much focusing on that one but in general, are you hearing about other facilities where maybe they weren't at the top of the list but there was some interest from private sector to do some exciting thing?

>> We've worked closely with office of economic development to explore sites such as Singleton or the water pollution control plant lands. And others -- typically as developers approach us we have not to my knowledge really reached out to say hey let us know if there's anything in the area but for city owned lands we have explored them particularly Mary's work with the Department of Energy did some inventory and gave us some options which would make the most sense. As I say we're very open talking with any one or everyone, Jeff sends a fair amount our way as well, to see what would work.

>> Councilmember Herrera: We'll be talking with you. This is very exciting. I know in Evergreen we've got very enthusiastic residents that are working hard to find ways to adopt solar and to make that known to school age children, there's programs out there, there's all kinds of community groups that are involved, I know they've been involved at your office too. Going Evergreen is a group that started out there. We're very excited working to reduce energy cost and to offer new forms of energy at lower cost so thank you.

>> The sun shares program is a great model and I think it really will help create an inflection point locally anyway.

>> Councilmember Liccardo: Councilmember Campos.

>> Councilmember Campos: Thank you chair. Just real quickly. First of all, great report. I'm glad that we are -- I thought catching up to the county but I think we're passing the county. Because I remember the county doing -- starting a lot of that work themselves. But just a quick question. What is the equivalent of a megawatt? How many homes would that power up?

>> The number that pops into mind right away was about 200.

>> Councilmember Campos: Okay.

>> Councilmember Liccardo: That sounds right. What, about 250? Something like that?

>> I have two kilowatts on my house but we can get that exact number to you if you are interested.

>> Councilmember Campos: Just so we're looking at city properties and then upon other partnerships as we move forward, I think, you know, if we can get that energy back, and just kind of having an understanding well this is the equivalent of this, I mean it really puts it into perspective for you know for the general public to see how much energy we are capturing through other means.

>> Probably closer to 500 as I'm sitting here.

>> Councilmember Liccardo: Is it really 500?

>> Well, you figure two to three kilowatts, you measure a thousand kilowatts in a megawatt.

>> Councilmember Liccardo: Thank you. Great report, I agree. And just a quick question about the expiration or exhaustion, I should say, of the CSI money out there. We were notified in January by PG&E that the party's over for CSI. And the question I had was really how dependent we are on that. I was looking at the 2009 numbers and it looked like our energy savings were, what, 90,000 plus another $60,000 in rebates and incentives. Was that whole $60,000 pretty much attributable to CSI or was that federal money, too?

>> No, that was primarily an energy efficiency rebate.

>> Councilmember Liccardo: Oh, okay. So what does this mean for us going forward, the end of CSI?

>> And it's not necessarily the end of CSI. They just ran out of money. At that point there are still some projects that have reserved incentives. They're waiting to see if they go through and we're on a waiting list at least for the treatment plant. So if those projects don't go through then they would have the moneys available for it. But that could take a while.

>> Councilmember Liccardo: They require the legislature to reauthorize?

>> It would require additional money from the legislature. But the others they're looking at okay, we eventually wanted to run out of incentives on all of this because we wanted the cost per watt of solar to come you down. It's really we are hoping to get better costs you know from our projects.

>> Councilmember Liccardo: Certainly are. Thank you.

>> Councilmember Herrera: Motion to accept the report.

>> Councilmember Liccardo: There has been a motion and second. There are two members of the public who want to speak, Mr. Wall followed by Mr. LeBrun.

>> David Wall: What is interest to me for the solar panels on all city facilities, you said there's no discussion on cleaning them. In other words, at what point will the solar panels become energy-inefficient because of depositions on them? With reference to the airport I think that is self explanatory with unburnt aviation fuel falling out when it gets dense, when fog comes in. You see this all over the downtown, on cars. From nitrogenous deposition, so oto speak. This has not been discussed. Also the operational life span, the cost of all of this, this is all fine, don't get me wrong but these little details do add up. What is briefly mentioned, it's the loss of funding, just from the California side of the ledger, but I'm more concerned too, the federal Department of Energy grants, that loss. Now what's in particular here it would be need to see ESD produce a report is how many full time equivalents or how much staff is that directly funded from these grants. What happens when these grants dry up, and there's very good foreseeability that they are going to dry up. What are you going to do with these employees, how it's structured? I think an organizational structure is how this is funded, all these energy grants are funded, would be of great utility for the decision makers to plan for the future. But this business with the deposition, that's very integral, especially with water pollution control and the airport because there's a lot of hidden maintenance costs in my opinion. Possible maintenance costs, I don't know, deposition issues, sun hitting them, they don't work, that type of thing.

>> Councilmember Liccardo: Thank you, Mr. Wall. Mr. LeBrun.

>> Thank you. Two things. First of all to answer Mr. Wall's point. It's no different than cleaning the windows in a building. But the reason I'm really addressing you is to bring to your attention another concept that the City of San Francisco developed to finance the installation of solar panels onto private homes. The way they did they set up a

fund, from memory it was $15 million, I don't know where they got the money from and money from that fund was used to pay for the installations. The next thing that happened as far as a homeowner was concerned is they got a tax lien on their house, which was basically for the amount of whatever the installation was. And subsequently, they paid back through their property tax. They just got a bigger property tax bill every six months. Thank you.

>> Councilmember Liccardo: Thank you, Mr. LeBrun. There's a motion on the floor. All in favor? None opposed, that passes unanimously. We now have time for open forum. Mr. Wall.

>> David Wall: You have before you four lemons. Now, there's two types of categories of lemons.

>> Councilmember Liccardo: Talking about the fruit or us?

>> David Wall: Your Honor, that would be an entrapment for violation of the code of conduct. It is strictly for you to use and no other references other than there are two different categories there. One is a Meyer's legal on, those are a little pity and big. They are very mild. The smaller is the Eureka lemons and they are very tart. The point of discussion today is lemon trees should be at every school and every park throughout the city. If you look at any one of -- first of all I don't know where you can buy Meyer lemons. Maybe your upscale markets like Leonardo's, those are very different than any other lemons. But even so, the price points for the Eurekas are anywhere from $1.25 to 69 cents each. And I think it would be, from a health standpoint, lemon trees in every park is not a bad idea. The other thing I want to talk about is, nobody talks about the habitat plan. Plus, by the way, those were grown around the airport, so we have nitrogenous deposition, so you have to wash them off. I've been eating them for years so I'm not dead yet. But this habitat lan, no one's talking about a sewer hookup moratorium, to save God's little creatures, and above all, $1 billion of taxpayer money that people don't have. You can rebuild your infrastructure, just from the honorable testimony of PBCE, with no more development you'll get a lot more federal funding to rebuild everything. But a discussion for a sewer hookup moratorium is legitimate because it can save money, save the creatures and a whole bunch of other things. Lemons please feel free to use them. I've got a big sack of them that's going upstairs to the 16th floor.

>> Councilmember Liccardo: Thank you, Mr. Wall. For the record, Mr. Campos will be taking the lemons. (inaudible).

>> Councilmember Liccardo: The meeting is adjourned. Very sorry, my apologies.