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>> Councilmember Liccardo: Okay. The meeting is called to order. This would be a good time I guess for roll call. Madam clerk, thank you.

>> Councilmember Liccardo. Present. Councilmember Herrera, here. Councilmember Rocha.

>> Councilmember Rocha: Here.

>> Councilmember Campos, not here.

>> Councilmember Liccardo: Okay, three out of four ain't bad. So we have a quorum. We'll move on to the work plan. And Ashwini, I know that there are two items that are identified to be deferred, I believe, one dropped and one deferred.

>> Right. So the mitigation monitoring item, based on a discussion we had at the October T&E we are going to hear next in spring of 2013, we didn't bring that forward. And the fleet maintenance contract, we haven't had the contracts go to council yet. So once we have that in place and are able to sort of monitor the progress then we can come back to the committee. So it may be more like fall of 2013.

>> Councilmember Liccardo: Okay.

>> So right now we're requesting a drop.

>> Councilmember Liccardo: Great, all right. In addition to those two items, my apologies to my colleagues, I couldn't talk to you beforehand because it was a Brown Act problem, because we only have three of us. I wanted to make the suggestion, if you are willing, to move two items onto consent, given the fact that we are facing I think another meeting at 4:00, is that right, Councilmember Herrera?

>> Councilmember Herrera: Yes.

>> Councilmember Liccardo: So my suggestions is moving items 1 and 3 -- I'm looking at Kerrie now, to see if that's --

>> We move 3 and actually just drop 1, it was actually a verbal report. There would be nothing to put on consent. So we'll just drop that, we'll come next time with that report. Yes, move 3 to consent.

>> Councilmember Herrera: Motion then?

>> Councilmember Liccardo: If you're willing.

>> Councilmember Herrera: Motion to approve the work plan with those changes in the agenda today and drops and adds.

>> Councilmember Rocha: I do have a question on item 2, is there any particular reason for the drop?

>> Item 2 is not being dropped.

>> Councilmember Liccardo: Item 2 is on the work plan.

>> Oh, on the work plan, the fleet maintenance?

>> Councilmember Rocha: Yes.

>> So -- and I don't know if Matt Morley is here. But I guess the contracts -- so there's two contracts, one for O&M and one for leasing the vehicles. That is a pilot that we were moving forward with, and that hasn't I guess based on negotiations as well as staff capacity hasn't moved as quickly as they thought they would. So we don't have much to report on in terms of how the pilot's going because the contracts haven't even come through yet.

>> Councilmember Rocha: So you suggest a drop instead of deferral?

>> We could defer it, I'm not sure that spring is even going to work. We wanted to look to see if we could bring it back in spring, but again, we would have to have at least two or three months worth of data to bring it back. So that's why we did the drop and we would add it to the work plan, either spring or fall. So we could defer it to spring of 2013 if you would prefer that.

>> Councilmember Rocha: If you don't mind, I think I think it's a little more suited, if my colleagues are comfortable with that.

>> Councilmember Liccardo: Is that suitable to the maker of the motion?

>> Councilmember Herrera: Yeah, that's fine, if they have the ability to change that. If it's not ready to go by spring.

>> Right, if it's not ready, we want to be sure to bring you back something for you to look at, and provide feedback. We can put spring and if we think we need more time we'll come back.

>> Councilmember Rocha: Thank you. And then I'll second the motion on the changes on the agenda.

>> Councilmember Liccardo: Great, thank you. Before we take a vote on that motion, I'm going to ask Mr. Wall to speak on item 1 and then when we take up the consent calendar, I'll ask him to speak on item 3.

>> Item 1, excuse me, and thank you, Your Honor. With the status of the energy generation of a plant, I would like to hold up for accolade Mr. Ron Nichols who has taken charge in that arena. He has done an outstanding job from what I have gathered, I think you should ferret them out personally, and ask him in personal contact with reference well within the confines of the city charter to give him -- for him to give his own report direct to council

as to the status of the energy. I would also add an addendum, you want to stress the online completion of engines 1 and 3 and find out when their operational date is to be set and fully operational. Thank you.

>> Councilmember Liccardo: Thank you, Mr. Wall. Unless there's any further comment, we'll take a vote on the review of the work plan. All in favor, none opposed, that passes unanimously. We move on to the consent calendar, Mr. Wall, you would like to speak on item D-3.

>> The water pollution control plant CIP update is very problematic. One only has to review the auditor's report concerning the status of the CIP prior to this new epiphany of appropriate administrative change. I'm very concerned on page 3 and I will quote, quote, city is going to solicit an owners engineer consultant who will be retained to finalize the project delivery approach to find the project performance criteria. And develop the bid comments necessary to procure the contractor for the project. The biosolids dewatering and drying facilities are targeted to come online in late 2018. Period close quote. There are significant and material problems with this approach that cannot be discussed here today for time requirements, but you should be very, very alarmed at this. And take the necessary steps in executive session to ferret this out with great precision and analytical detail. Thank you.

>> Councilmember Liccardo: Thank you, Mr. Wall. With that, the items on consent are subject to a motion.

>> Councilmember Herrera: Move approval of consent.

>> Councilmember Rocha: Second.

>> Councilmember Liccardo: All in favor, that passes unanimously. Okay we'll move on now to the first item, that remains, which is D-2 on the reports to committee, water pollution control plant staffing. Hi Kerrie.

>> Kerrie Romanow: Hi. Kerrie Romanow, director, environmental services. Joined today by Joanna DeSalb, Joanna is the acting deputy director running the water pollution control plant. Recall this status update is a follow-

on to the audit report that was released in August. At that time we committed to providing updates with how things are going. And it's important to remember when Joanna shares with us the status of plant staffing, that in order for us to adequately deliver the CIP we're going to need operations and maintenance staff to support that to be sure we do the rebuilding in an appropriate way. So with that I'll turn it over to Joann.

>> So see if I can get this going, very good. So the plant as you can see by the slide continues to experience severe staffing shortages. Our normal shift coverage is 66 positions. Of the current 66 position he, 50 position he are filled equating to a 24% vacancy rate. Now what that means in real the terms for operations our staff, our plant is staffed by 12-hour shifts. So typically that would mean, then, four shifts of three operators per shift operating. What that means is we only have exactly enough staff to cover each 12 hour shift for 365 days. So no vacation, no holidays, no -- without overtime being accrued. So it basically puts us in a situation where we are creating a lot of overtime. We only have one shift, one operator available to provide vacation relief for our eight operation areas. Typically what we're doing now is augmenting with overtime. Frankly, though, staff are getting tired. And in addition. Things that would normally not be secure tailed are being curtailed. Things like preventive maintenance task force, somehow because we do not have the staff to do the work. Wrong way, sorry. As you can see our vacancy rates are currently sitting at -- these vacancy rates are shown for a six-month period of time. The interesting thing about this is, the one thing it's climbing. So at 25% vacancy right now. So the worst part for me as a manager is, the uptick usually happens from January to June. We're headed to January. So the numbers are only going oget worse from here. In the last few years that you've seen we've been collecting this data, it always does an uptick from January to June. So that's the bad news for me and for the plant. As I said before, our average weekly overtime log by plant operation, just on an average basis, it rose in fiscal year 11-12 to 64%. That's a lot of time for staff to be putting in. So those positions for anybody to take vacation, we had to make some adjustments in policy. We used to have two operators off per paired area. And now we only have one operator off per paired area because the there isn't anybody to cover when that person goes on vacation except by overtime. So we have this increasing volume of overtime that keeps getting large he and largish and staff like I said they're getting tired. So -- and in fact just this week, just last week Armando, the acting division manager of operations, acted as the plant shift supervisor for two nights in a row. So there are currently three temporary instrumentation techs working at the plant. So they're hired through -- hired through our Telstar is our

contractor. That's who we have on staff who are temporary staff. Negotiations are currently in progress for our two third-party vendors to provide either staffing resources or supplemental recruitment assistance for us. I've actually broached a conversation with our neighboring wastewater treatment plants at Palo Alto and Sunnyvale about the possibility of look into, I don't know, some kind of a mutual aid agreement where we can move people around and give people an opportunity to work at three differently plants but actually have them available to us on an emergency basis if needed. Currently our open position he are posted as open until filled. And as we get more and more staff that are interested and applying, we typically will do a recruitment as soon as we get two to three staff people in that list.

>> Kerrie Romanow: So that's our status update. So far not a lot of progress in the right direction, but we're going to keep trying new things.

>> Councilmember Liccardo: Thank you very much. I just want to jump in apart from tradition here and ask two important questions. One is, I know some folks have seen the mercury article and contacted me and said who do we call if we know or are qualified electricians, engineers, whatever an we're interested? Do they contact human resource he or do they contact somebody in ESD?

>> Kerrie Romanow: They should -- the jobs are posted on the city's job page. I've also received e-mails from residents and I think there's a little misunderstanding in terms of the experience and the types of certifications folks need to qualify for the job.

>> Councilmember Liccardo: Understood.

>> Kerrie Romanow: We do have operator in training and mechanic in training jobs. The operator in training spots are filled right now.

>> Councilmember Liccardo: You need the experienced folks some got it. Secondly, obviously I know these are conversations that happens in closed session, but certainly, Kerrie, you have come to the council and asked for

authorization for new designations and classifications to enable us to improve compensation, certainly to be able to hire temporary folks in the short term. What more do you need from the council to help you?

>> Kerrie Romanow: We need to be able to adjust the compensation for these job classes.

>> Councilmember Liccardo: Right. And I know that we have taken votes before the council to do that. Are there additional votes you expect that we need to take?

>> Kerrie Romanow: I'm not sure. Alex Gurza would be the best person to answer the process-related questions.

>> Councilmember Liccardo: Okay, great, thank you. Questions? Rose?

>> Councilmember Herrera: I know that we've had the discussion of raising salaries for critical positions at the plant. Is that strategy -- do you anticipate that strategy is going to work to solve this issue? Or what's your sense of that, as a -- do you see that as a short term strategy, mid range strategy? How do you see that? Because I know we've done that to a certain extent. Can you give me a recap of what we've done and how that's worked?

>> Kerrie Romanow: When we do informal market surveys we find that the job classes we're talking about -- our top step is significantly below the top step of competitor agencies. So until we get into a more competitive range, and until the city resolves some of the other compensation-related issues that we're working on, we're going to be challenged to fill these position he. They're in high demand. They're very marketable. And they're readily able to find jobs at other facilities.

>> Councilmember Herrera: And this -- the difference in compensation has -- was there before we had the pay cuts. And just got exacerbated by doing that right?

>> Kerrie Romanow: Yes.

>> Councilmember Herrera: We already have the issue of not being competitive in that regard right?

>> Kerrie Romanow: Yes. The compensation reductions really in my mind were the tipping point so that's what really caused folks to say okay I'm going to look for other opportunities.

>> Councilmember Herrera: So if we set aside the labor issues and if we could talk about this what-if scenario, if we could -- if we could raise -- it seems like we've done incremental steps at trying to have these positions be competitive. Would it be better to just be able to be competitive, and take it to that level where it is -- where it matches?

>> Kerrie Romanow: I always think the incompetent --

>> Councilmember Herrera: If it's not working in terms of this inching along if we could -- because it's a different -
- ESD is differently funded than the other areas in the city right?

>> Kerrie Romanow: We are but the same ratepayers are paying utility rates that are paying other city-related costs like sales tax or other items. The challenge is you do one thing at ESD but we're really one organization. So where that right solution is I'm not sure but we are talking with labor groups and I'm hopeful that together we're going to find something that works for everyone.

>> Councilmember Herrera: I think it's very creative the idea of look at other cities and trip to see if there's some way that we can work together. What's the sense -- what's their interest level and why would they be interested if they're not dealing with the same issue we are?

>> Kerrie Romanow: I talked to one city last week, and they're very supportive. They're also look out to when they might have their own challenges. We may that I on their pension reform issues. We already do mutual aid --

>> Councilmember Herrera: Insurance policy sort of for them?

>> Kerrie Romanow: Yes.

>> Councilmember Herrera: Plant strategy for them.

>> Kerrie Romanow: And being a good neighbor, good partner. We already share equipment so we have a really large crane and no point in everyone having one. So we might share equipment and if they need a pump we might loan them something. So we're already networked in that arena and I think that there's a lot of camaraderie in this particular niche-work. And they really want to help out. They can't give us staff forever. But if we're really in a critical position and we can work out the critical components we can get some urgent help but it can't be long term.

>> Councilmember Herrera: From your vantage point what's short term mid term long term in terms of seeing a solution to this that gets us further than a couple of weeks or months?

>> Kerrie Romanow: We as Joann pointed out, we tend to see more transition in the January to June time frame, and we're already at a point where we can't cover shifts, and where I have a division manager and probably in the next two weeks an acting deputy director running shifts, we can't sustain this. So we will need to bring in other resources or take different steps if we can't resolve the compensation issue quickly.

>> Councilmember Herrera: Right. But I'm thinking in terms of when we get over the hump and get it solved do you see this as a two-year goal or one-year, two-year, how do you -- I'm asking the long-term vision of this staff.

>> Kerrie Romanow: I think if we can solve the compensation issue in the next couple of months it will take us two years to staff up and fill the vacant positions we have and train people and integrate them. So if we have success on the compensation front now, in two or three years we'd have some stability. And the CIP would be able to be delivered.

>> Councilmember Herrera: And what else do you need from the council in terms of the -- of working, creating this relationship with other agencies or anything? Is there anything you're going to need from us? In moving forward with that idea?

>> Kerrie Romanow: We'll let you know.

>> Councilmember Herrera: Okay. Okay well thank you.

>> Kerrie Romanow: We're not shy. Thank you.

>> Councilmember Herrera: Appreciate hearing the report, I wish it were better news but we definitely want to be here to try to make this thing work, get through this.

>> Councilmember Liccardo: Thank you. Don.

>> Councilmember Rocha: Thank you for the report. I guess the obvious issue is, pretty well documented we know what it is and once we identify the why then we work towards how we fix this with a solution. Hearing that, it is a potentially two year process is concerning. I'm sure it is very concerning for you more than it is for me so I appreciate your willingness to work on this issue and tackle it. I'm sorry I don't have more support for you in terms of resources. Just a question that I had outside the box and I hate to use that overused phrase but it kind of struck me as we were talking about our issues here in City of San José as far as compensation and employee relations. Have we looked at giving our partners with this treatment plant having the employees hired under another city?

>> Kerrie Romanow: We've -- we've discussed that informally. There are some challenges with carving out a piece of the plant. We could look at turning the entire operation over to, say, our co-owner Santa Clara. The challenge is we have a much smaller city, we pay 75 to 80% of all the costs. You have another city make

decisions that impact us on a bigger scale. And there would also be some citywide impacts in terms of all of the support mechanisms that support not only ESD, but other departments, would be impacted as those resources move to another organization.

>> Councilmember Rocha: So help me understand a little bit more. We can still maintain the executive and management level staff, correct? So that we can still then make those decisions.

>> Kerrie Romanow: We'd have to explore that.

>> Councilmember Rocha: Right now we'd have to move every employee over --

>> Kerrie Romanow: The way we call the master agreements, the agreements between the tributary agencies and San José, Santa Clara have us operating the whole facility. So we could explore taking different pieces off. But there's also different retirement systems. So they would be in PERS, not in the City's, and that has some impacts to our employees in terms of what their retirement looks like and how easy or difficult it is to make changes.

>> Councilmember Rocha: They might see those differences beneficial.

>> Kerrie Romanow: I think right now they would, yes.

>> Councilmember Rocha: All these issues we're talking about are to me in my mind a little bit less important than the health and safety issue of operating a plant and keeping it staffed. So these other items look like issues, definitely to be looked at but not as damning or potentially harmful to our community or this region as a failure at the treatment plant.

>> Kerrie Romanow: Right.

>> Councilmember Rocha: Sorry to raise this issue. We've had this discussion and I've been thinking about it snore a while, can't think of where else to do this. This is part of the report we're not going to cross reference this item are we?

>> Kerrie Romanow: Huh-uh, no. In your next report to the committee or the council do you have a date that's settle or is that pending any further direction from the manager or the council?

>> Kerrie Romanow: If I recall correctly, we were originally going to provide an update in September but because the audit came out in August we moved it out and at that time we recommended quarterly updates.

>> Councilmember Rocha: Okay.

>> To the committee. But in terms of council I mean only there's some recommendation to bring forward. Based on the discussions that we're having then we'll bring that forward. We don't have a set date yet.

>> Councilmember Rocha: Okay. And unrelated but a similar topic. The City Auditor recently did a report on staffing impacts with the City of San José. Were you securitied on that report? Memory serves me correctly I can't recall if there was specific mention to particular departments. It seems like an overall assessment, there might have been some Public Safety reference but were you consulted as part of this recent?

>> Kerrie Romanow: Sharon and I talk quite a bit. I'm not sure if I'd know if I was consulted.

>> Sharon Erickson: Sharon Erickson, City Auditor. We consulted with a variety of departments. But what we were looking at in terms of the departmental numbers in that report were department wide. So department wide, I believe ESD's vacancy rate was about 20%. So they've got a significant department-wide issue. If I could, also, comment from our August 2012 report, on ESD, we did have an open audit recommendation to consider on some kind of retention incentive bonuses or payments that would be short-term time limited but could help us get through the next little bit while these other longer-term salary surveys go on.

>> Councilmember Rocha: I guess that answers my question. Thank you, I don't have any more.

>> Councilmember Liccardo: Thank you very much. There's one member of the public like to speak, David Wall.

>> How many more excuses for substandard performance is this committee and the City of San José city council going to tolerate? There are really just a couple of votes that needs to be taken. One, is to fire the City Manager outright because she is the appointing authority and has appointed people who obviously cannot perform. This isn't an isolated incident. It's well documented. The auditor's report speaks glowingly about how they don't know how to do their jobs. We've heard talk today about how the funding of the plant is like oh, like sales tax. Well, it is not like sales tax. It is a restricted use fund that can't be used for anything else. In part and parcel when the director of ESD was the act director of ESD and even before then the assistant director of ESD people sat on hundreds of millions of dollars of ratepayers money, not doing their jobs under the CIP budget. This money, some of it may have to be returned. Other amounts of this money may be siphoned off as far as a bank account for other projects. So we see a fundamental not even understanding the financial structure of the plant, therefore, how can you expect these people to come up with financial incentives, or staffing incentives that we've seen month after month fail miserably. So there's one vote. You either fire the City Manager and get somebody in here that can appoint competent people to run the plant. Your second vote would vote for me to run the plant because I can do a far better job. And also, the mayor's office. The mayor and the Vice Mayor have been completely negligent and basically incompetent. Because they both sit on the treatment plant advisory committee, and they've seen these sob stories month after month, and the only thing that mayor and Vice Mayor do is clip the taxpayers for a \$100 stipend for a minute that lasts five minutes, of which they know practically nothing of what goes on. But to sit here and month after month rely on the staff at ESD to tell you when the rainbow is going to happen. January to June, what's that period of time? Where you're losing staff. January to March to April, what's that? That's the period when heavy rain flows come knocking, and if you don't have operators you have a potential spill.

>> Councilmember Liccardo: Thank you, Mr. Wall. All right, that, there is no action required on this item. This is for information, as I understand it. So then we should move on to item 4. Thank you very much for the report. Environmental innovation center. Welcome, Jo. Harry, Scott Green.

>> Hi. Jo Zientek, deputy director of environmental services department. I'm here today with Harry Freitas, the assistant director of Public Works, and Scott Green the clean tech policy officer in our office of economic development. And Nora Sibrian who is key staff member on the project will be driving the presentation. Thank you for the opportunity to give an update on the environmental innovation center. We haven't been to the committee recently so this will be a good time to provide you the latest of what's happening on the site. Just a quick reminder about what the EIC is all about. It's a renovation of an old warehouse, and the addition of a new 10,000 square foot roughly building to be the City's first permanent household hazardous waste dropoff facility. It also has a significant exterior site improvement component, and we're currently in construction on this facility right now. After construction's done, we'll be adding the solar phase of the project and that was awarded by an economic development assistant grant from the federal government to put solar panels on the existing warehouse. The household hazardous waste building roof and install the new carports with solar. And the design that we're looking at for the solar system will -- we're trying to make this facility net-zero energy usage. The programming for the EIC and I know that we've talked about this before. But we've got three so-called anchor tenants. The first one is habitat for humanity restore at the front part of the existing warehouse. The second part is prospect SV, and Scott will be filling you in on that project and the third is the household hazardous waste dropoff facility. The exterior improvements will allow the users of this facility access to just the household hazardous waste part or to the parking lot for the restore and the prospect SV. We are also including several conference rooms and office space in prospect SV for emerging clean tech companies. Just an update on our tenants. Council approved the lease agreement with habitat for humanity in June 2011. We have been on constant communication with Habitat both on the developments with the site including the estimated date this we'll be able to deliver the building to them. We also habitat will be doing their own interior tenant improvements and Public Works has been in regular communication about getting those all permitted, while the building is being renovated. And habitat has gone ahead and leased a temporary smaller location for one-year lease on South 2nd Street to kind of give them a dry run on operating a facility, get their donation base set up, and learn what kind of processes and procedures they

want to implement at the larger facility. We also have the lease with -- that Santa Clara County executed. We just did that last April. That will be for the operation, the daily operations of permanent household hazardous waste building. And the household hazardous waste building has been proceeding pretty quickly and when Harry gives you the construction update he'll discuss that. We have a couple of items that will be coming to council early 2013, so this is just a preview those. OED will bring an update on the prospect SV business plan funding partners to the CED committee first quarter of next year. As we move forward with the projects and if we need to make adjustment with the construction delivery date we may need to do some minor amendments to the tenant agreements and those would go back to council to change the delivery date. And then any support services that we have for construction administration or inspection that we need to change due to changes in the construction date would also go back to council. And then we have prepared the bid package for the solar and we will, after we go back to bid for that, we'll bring the project to council. The bid package has to be approved by the EDA before we release it. So with that I'll turn it over to Harry to give you some construction updates.

>> Thanks some Jo. Harry Freitas, assistant director of Public Works. Let me just give you the background. This project was awarded by the city council on May 31st, 2011, to Applegate Johnson, Incorporated. We are currently 70% complete with construction. In terms of the schedule, our original completion date per the contract documents was December 20th, 2012. So this month. Currently, based on changes in the work, our current approved schedule has construction complete in March. There -- we have some disputed days, construction days, that have been done between the city and the contractor, which are about 120 days, those are calendar days, so four months. So right now our outside risk on construction completion is out to July. Now what our goal is, is -- and I'll talk about the haz-mat abatement. Our goal is to bring that back in may. I'll go over how we intend to do that. Our issue is related to discovery of lady in the building. In August we found lady in the old warehouse building, actually lady paint. So in October the city council approved the liquidation of \$250,000 worth of contingency from the construction contract to allow us to hire a third party lead abatement specialist. They've been in that building since then working on clearing the building. We've had a lot of difficulty clearing the building. A couple of the difficulties relate to we think the age of the concrete floor and its possible exposure to lead, historic exposure to lead. And the fact that the building is not weather-tight right now. Because we had to stop work the building was exposed to the weather. So two things that are happening: We essentially completed

the abatement of the lead. And the final step is to -- that scraping the loose lead paint off and cleaning off that crumbled loose paint and then painting over the intact paint sealing it and then cleaning the floor. And what's happening is we are having trouble with paint-adherence because the building isn't water-tight. The temperatures are fluctuating, wet, dry, the issues is the keen create isn't coming clean as it's supposed to what I call brand-new or newer concrete so we're getting very close to the -- the industrial hygienist essentially checks the floor after it's power washed, according to established protocols and we're testing it out and it's close but we're not 100% there but we hope to be there very soon. The goal then would be to get the building clear to allow construction workers in and those workers would be trained on working in a building that's partially abated. We would then focus on buttoning up the roof which would allow us to do we think allow us to do the final abatement. Our goal then once we have essentially unencumbered access to the historic warehouse is to settle any delay claims, and settle or settling display claims and decide on an acceleration strategy to get us back to may. And that's why I've been reporting that our May date is a goal date and I can't commit to that date, we can't commit, the team commit to that date right now but that's the date that we're working very hard towards. As far as what was going on, what's been going on on the project is we have had really good progress on the household hazardous waste facility which as you know is the separate metal building that's being constructed on the site, not in the historic warehouse. And we're make good progress on that. Essentially, the interior framing is complete, the roof is 95% complete so the building is watertight. We've done the grading on both sides of the household hazardous waste building and the undergroundwork and the trash enclosures is complete. So essentially that building is very much on schedule because we didn't run into any unexpected conditions as we did in the historic warehouse. Now just to go to the next -- we're at project milestones. Just wanted to go over what's happening in the near term to finish out the project. As I said our desire is to be back in the building this week. We're hoping to be back in the building Thursday. We should have a decision by OSHA on Tuesday, tomorrow, to allow trained workers back in the building to start buttoning up the roof. In the winter, late winter, early spring with 2013, we home to start-d hope to start installing the EDA, excuse me, we're going to do the procurements for the EDA and the FF&E. The goal is to complete the construction of the building and then we would start installing the FF&E and the solar. And in late summer, early fall of 2013 our goal is to have construction principally completed and the building occupied. With that, I'll turn it over to Scott for discussion on business plans.

>> Thanks Harry, good afternoon committee members. Want to give an update on the progress with respect to prospect Silicon Valley. Focusing primarily on governance, sponsorship and the staffing plan. As Jo referenced, Oprospect Silicon Valley is a clean technology demonstration center. It will provide flexible space to demonstrate, display, prototype emerging clean technologies right here in Silicon Valley. We've received a lot of market indicators on this from the inception of the project from a number of emerging clean technical companies and we think it fills a critical gap. On the governance side, staff is working with the City Attorney's Office to prepare state and federal filings required to establish the 501(c)3 under the name prospect Silicon Valley. It will be a nonprofit with a seven-person board, four members of the board comprised as senior city executives, and an additional three members of the board reserved for private sector reps including providing a spot for legal representation. And we're in discussion with some people that are very well respected in the clean tech legal practice in the valley. The center will also or the nonprofit will also have a strategic advisory board consisting of 10 to 15 representatives from clean tech industry, academia, labs, workforce development and training and professional services attending clean technology commercialization here in the valley. On the sponsorship front, we're way ahead of what where we thought we would be at this point. We have received \$110,000 NAACP confirmed sponsorships. We've written additional grants and sponsorship requests are out there with donations in the pipeline, and we look forward to announcing some additional sponsors that are scheduled to continual on shortly. The short answer here is we're on track to meet our two-year target of \$275,000 over the first two years. We've established a fiscal sponsor in Silicon Valley community foundation that is handing all of the donations as they come in and grants as we begin to put all the governance, financial systems and protocols and have them fully established to receive the money. So Silicon Valley community foundation is a great partner for us at this stage. On the staffing plan, we have posted an RFQ for half-time business development manager. We're looking to hire a position in January of 2013. This will be funded solely by sponsorship dollars raised so far. Primary responsibilities will include revenue development, ramp development, marketing and sales of the facility. Prospect Silicon Valley will also hire a founding executive director in early 2013. And finally we're continuing to identify clean technical commercialization partners. It is a very important part of this model. There are a number of clean tech commercialization partners in the Bay Area. There was a recent report by the clean edge index that ranked the San José MSA as the number 1 clean tech hot spot in the country, and we're thankful for that, and we're thankful for all the partners here. So we do have an MOU with Lawrence Berkeley National Lab

energy and environment technology division, Stanford university's office of technology licensing, the clean tech open, green start, and we're seeking and reaching out to additional partners and envision finalizing partnership agreements with them in 2013. And that's additional labs additional academic institutions and other incubators, accelerators, business plan competitions that support clean tech.

>> Councilmember Liccardo: Thank you, Scott.

>> And with that, we are here to answer any questions you might have.

>> Councilmember Liccardo: Thank you, Jo. Questions or comments?

>> Councilmember Herrera: Great update, thank you for that. In terms of the historical building I'll call it, the one built in 1958, is that jeopardizing any client relationships, any potential folks that would want to lease that because of the delay? Sounds like habitat for humanity is already-d they've got contingency plans. Is there any --

>> Weaver had a very close relationship with habitat, they are actually looking forward to having this testing-drive period in their new facility, the 7,000 square feet site. The permanent site will be twice that size and I think they want to get everything down before they move over. And they really want to open with the household hazardous waste facility because they think that will bring a lot of traffic to the site so they've been very willing to work with us on the project delivery date.

>> Councilmember Herrera: Thank you.

>> Councilmember Rocha: Thank you. Thank you for the report. Gist generally one question, as prospect Silicon Valley slide. The sponsorships that you talked about, can you give me pooh sense of what type of companies have already committed just so I get a -- excuse me, so I can get an idea of what if companies are and the industries?

>> Sure. Our commitsponsors so far sort of nationally recognized high technical companies. Companies that have an R&D presence here but their primary presence might be elsewhere, might be a global presence but their R&D function is here. National financial services partners registered an interest and I think that there's a lot of -- the best way to put it, there's a lot of funding coming to the Bay Area with respect to battery storage. And building technologies. And I think there's a really tremendous opportunity for us to partner on consortiums that are working in both of those spaces.

>> Councilmember Rocha: What does that sponsorship bring to them, is it mainly a sponsorship because they believe in this effort or do they get a name associated with the building in some form?

>> I think for each sponsoring partner there's a different interest. It could be host Ed events at the site. It could be the opportunity to see early iterations of technologies that they might have an interest in. It could be too serve on an advisory board of the center. So there could be a range of benefits associated with sponsorship.

>> Councilmember Rocha: Thank you. And that advisory board is the board you spoke of with seven members?

>> The advisory board would be a separate board that are ten to 15 people that are really focused on clean technology commercialization. We will have representatives from the national labs, universities in the Bay Area and probably investment folks as well.

>> Councilmember Rocha: And then the other board you spoke about, the seven-member board, you talked about four city members and three I guess industry members. Can you talk a little bit more about that makeup and what the role of that board would be? Because I'm curious as why we would have such a heavy presence. I guess the advisory board would be more of the one that talks about invocation and convergence issues. I'm thinking it's a little City-heavy so to speak.

>> Yes, I think that -- so the question, the board is really going to be focus id on the governance of the organization. Making sure the trains run on time if you will with respect to the budgets. The strategic advisory

board is going to be as you just mentioned really focused on clean tech commercialization. Strategic thinking also, the California energy commission as an example has you know focused money influence what's called the AB 118 program or clean transportation program but also the newly minted epic program which is the electric program investment charge which was the old peer program. It's a long way of saying there's really focused money coming down the pike for commercialization efforts and so that's really the strategic thinking around the advisory board. With respect to the city presence on the board, I think that it is a city facility and because you're talking about demonstration and you're talking about integration of technologies in a city facility, and really an interface with our staff in some regards, I think that it's a good model to have a four-person majority on the board.

>> Councilmember Rocha: Thank you very much.

>> Councilmember Liccardo: Thank you for great presentation. Just two questions. One is on the challenges Harry the we were having with the lead and asbestos. The \$732,000 that's described in the report for project delivery cost, does that represent the total of the excess expenditure or the additional expenditure we need to make to deal with remediation issues or is it a larger price tag?

>> Well, it -- right now, we're funded to complete the project. If it were to be delivered, I'd say, in the May to July date. If it were extended beyond that, we would have to figure out how it can deliver a project. We are essentially with any project's extension there's always a cost. And in our case we have the extension of city staff, there's the extension of the contractor, their general conditions. There's the extension potentially of our architect, group 4, and then we have a consultant helping us with some aspects of construction management, Gilbane. So what we're working on right now a little bit in the weeds is to develop a risk profile for what the outside risk in terms of cost to the city is what the inside risk is, in terms of dollars. And so that's what we're working on. And we're going to have to balance all that as to how much contingency we have left when we attempt to come to an agreement with Applegate.

>> Councilmember Liccardo: Well, we've exhausted all the recycle plus! late fees with this \$732,000 or is there more there we need to -- just trying to figure out what happens down the road when we're cram scrambling the money.

>> They would be exhausted for this fiscal year but we've budgeted for this fiscal year.

>> Councilmember Liccardo: July we theoretically have -- thanks about the presentation. I had a question about the stage of the development of these technologies because you mentioned that some companies would be interested in seeing early stages and I got the sense that a lot of this may be very close to commercialization. Is there a particular target we're focused on or are we looking at -- are funders sponsors and tech experts telling us we should be all over?

>> Yes, great question. I think you're looking at living from sort of behind the gate research to applied research and commercial trials. I think also, that you know as I mentioned earlier, it -- you're going to have established companies that will want to do sort of displays of technologies that they might have an interest in. You might also have a really early-stage company that is look to prototype here. So it is a range. I think what we're trying to do right now is set up the alliances, essentially with high value partners and a strategic advisory board that is going to be able to answer that exact question. As I mentioned there's you know through DOE, through a range of DOE-funded programs and California energy commission funded programs there is specific money targeted towards demonstration. So research, development, demonstration, deployment and market facilitation. And all the solicitations we're seeing come out is really targeting demonstration of an important gap.

>> Councilmember Liccardo: Thank you, very exciting. We'll move on to comments from members of the public. David Wall.

>> Remembering that this project has been a white elephant since its inception so let's go back in time a little bit. Applegate Johnson, incorporated had screwed up on fire station number 19 resulting in \$440,000 of liquidated damages that the City Manager was incompetent in not regaining for the City of San José relating directly to the

time frame for the new market tax credit funding of \$4.5 million for this fiasco. The new market tax credit funding is a very sticky thing it remains to be tax free that you have a series of business entities that are minority-based. And so the board that was just talked about has a very large fiduciary responsibility to monitor these abouts entities coming into this center to remain a tax-free status. Great accolade is given to Mr. Freitas for having to be associated with this horrible project because first of all, the old Las Plumas facility should have been razed in its entirety because it was foreseeable that lead and asbestos would be there and the concrete mix in itself may not be up to earthquake standards today. Whether or not this Silicon Valley thing this PV Silicon Valley is going to be successful is exceptionally illusory. In addition, I find it offensive that the name San José isn't incorporated in this due to the funding by the San José taxpayers. That gets us to the last issue, funding for this horrible project, deals with the sewer service and use charge and integrated waste funds that are going to be shifted onto the property tax rolls which means fee for services. This is very interesting to see how this is going to be carried out long term. In closing again accolades to Mr. Freitas but this entire project is a nightmare, should never have been gone through, horrible project.

>> Councilmember Liccardo: Thank you. With that endorsement, do you need a vote here?

>> Councilmember Herrera: Motion to accept the report.

>> Second.

>> Councilmember Liccardo: All in favor, opposed, that passes unanimously. Thank you very much. We'll move on to plastic bags and polystyrene.

>> Kerrie Romanow: Good afternoon, Kerrie Romanow director of environmental services. I'm joined by Napp Fukuda, acting deputy director watersheds, and Elaine Marshall, program manager. While we figure out the slides we're just going to dive in. I think you all have hard copies.

>> Councilmember Liccardo: Okay, apologize for that.

>> So thank you, the city will be providing an update on the results of our first year of the bring your own bag ordinance as well as updating you on some recent analyses that we've done on the potential phase out of EPA's foam foodware. Trash and litter in our waterways is a global concern as you're fully aware. Trash and specifically plastics have been heavily scrutinized lately you may have heard about the Pacific gyre litter. If you have the slide you could see that. The size of the Pacific gyre isn't quite known but United States estimated to be about the size of two Texas. Plastics have been under heavy scrutiny by scientists how to manage and clean that up. Trash and litter in -- is a very big local concern as well, not just a global concern. Most people don't think of San José as having many waterways however we have many. And exacts a heavy price from wildlife to habitat. Our creeks including Coyote and Guadalupe are home to habitat of species that rely on that have outfalls from our storm drain system that flow into those storm, into those creeks which impact the creeks very greatly. The EPA has identified many of our creeks as impaired by trash. So the violation that -- excuse me, has required us to provide an Npdes permit previous presentations, requires agencies not just the City of San José but 76 agencies throughout the Bay Area to develop trash plans short term and long term to reduce trash by 50%, by 2014, 70% excuse me by 2017 or 100% or really no visual impairment impairments by number of things to reduce trash including cleaning up 32 creek hot spots, which identify the really concentrated sources of trash that come through storm drain to the creeks and we do have to do that annually. We also have to install trash-capturing devices, you can T&E on that and we have installed nine of those to date which encompass and 900 acres of the city thus far. 70 and the 100% over time can be very costly to the city. And like I mentioned there's capture devices, street sweeping, there are a number of ways to reach that goal of reducing trash. However, some are quite honestly simpler, cheaper more cost effective than others. I wish we had the photos here because we could show you some, you're looking at it I guess, you're seeing a google map, just standard office google where we show a trash raft and that white year in the tree break is EPS, a lot of EPS in that area. Unique and commonly littered items are single use plastic bags and EPS home foodware. In plastic litter by adopting the bring your own bag ordinance. The ordinance went into effect on January 1st of this year. I'm happy to report that 11 months into streets that the ordinance is having the intended effect. More shoppers are bringing their own reusable bags when shopping and plastic bag lit near our streets and in our creeks has dropped significantly. Specifically we've seen a 60% -- sorry 62% of our shoppers are bringing usable bags, reusable,

excuse me, 67% drop in plastic bag litter in creeks have been identified and as well as 92.89% drop in plastic bag in storm drain. Our materials processing facilities are also experiencing benefits as well. Plastic bags are one of the most difficult and extensive materials to process for recycling because they affect equipment. Operators of recycling facilities in San José report that during an eight-hour shift they must shut down their equipment approximately three times to untangle the bearings and the equipment from plastic bags. As you can imagine this is a hazardous and time-consuming process. And we've been told, from these facilities, that it cost upwards of \$1 million to do that every year. The bring your own bag ordinance, since it's been in effect, two of the three recycling operators, report that they are seeing noticeable reductions in incoming plastic bag use. CWS reports a 24% reduction in incoming plastic bags and 35 to 50% reduction in down time directly related to the reduction in plastic bags at the facility. Green waste 10 to 15% reduction in plastic bags at their site. Calls to council offices of have generally decreased over time, as expected when the ordinance first went into effect, there was a big influx one call or e-mail per month for council offices. The mayor's office has seen the highest volume of about five per month. Findings also suggest that most stores, about 53 to -- sorry 55 to 63%, are supplying recycled content paper bags. However the percent of stores supplying thicker plastic bags which meet the definition of reusable bags have nearly doubled from 15 to 29% over the past eight months. Since the passage of the bag ordinance many other cities throughout county have adopted similar ordinance he using San José as the model. Some of the local examples of that are Alameda County whose ban goes into effect next month, January 2013 and Santa Clara County cities have opted to look at it in perhaps move forward. That said, looking back at on the street experiences with our community staff is evaluating the several potential improvements to bag ordinances. As I referenced earlier the definition of reusable bags, we're considering trying to address the trend that appears to be happening towards quote unquote the reusable plastic bag as thicker plastic bags. We are also look at reasonable backs from 10 cents to 25 cents. The intent prior was to help motivate the behavior change and help people move away from not only plastic bags to reusables however the observations that we have seen so far at this time so we will be looking at that and coming back to council in 2013 to talk about that as we move forward. So we have strong indicators that bag ordinance has resulted in real world benefits in reducing litter in our streets and in our creeks. Another common component of trash and litter that we find is EPS. As you're well aware. EPS is a unique problematic pollutant because it floats and therefore it's highly visible and causes significant blight. It also readily flakes into small pieces, making it very difficult to clean up once it's in the

environment. And it does not degrade over time as other material could. Vastly marine animals, mistake it for food so they often eat that. It is important to emphasize that the property of litter material are not the same. In other words not all litter is created equal. As I mentioned paper material disintegrate over time whereas plastic and polystyrene in particular just does not. EPS foodware is prevalent in the City's storm drain systems and there's a number of studies out there that show that it's anywhere from 7 to 15% of the litter that you pull out of the creeks. The Bay Area Stormwater Management Agencies association noted a city where 7.8% of the trash in the storm drain was EPS. Save our shores observed over 12% and CalTrans stride found that 15% of the trash in the litter was EPS. Most recently staff cleaned out a recently installed hydrodynamic separator unit on Bulldog Avenue by San José high school which was in operation for six months mostly during the dry season and they found approximately 10.8% of the trash they pulled out of that was EPS. So in January the City Council directed staff to take several actions related to EPS foam foodware. The first was to cease city funded purchases of EPS foam foodware within the city and we did that. In April 2012 the city council revised the EP 3 policy to specifically prohibit city-funded purchase of EPS. The administrative policy was defined the implementation process went into effect in June and to date we have heard no complaints and it seems to have transitioned very smoothly. Secondly, council directed staff to support citywide legislation. We did that as well supporting SB 568 during the legislative process, unfortunately that did not pass, but that would have implemented statewide ban on EPS. Council also directed staff to conduct analysis including an alternatives product analysis and an economic impact study and pursue regional action. As directed by council, staff conducted additional analysis on one of the key findings in that study was that most of the alternatives after a thorough review of brick and mortar as well as online stores where you could purchase alternatives, was that most of them were within one to three cents of an EPS product. However that said we do acknowledge that clam shells are a little problematic where the does are a little higher but overall, seem to be more manageable than we had previously thought. Another option that the study identified was that instead of looking for like to like replacement meaning an EPS replacement for a clamshell with perhaps a re paper plate and foil which, if a restaurant chose to do that, would be actually half the cost of an EPS clamshell so there are alternatives. Another thing that interesting thing that Cascadia report found was that almost all of the EPS forms in all our sectors of collection and garbage and recycle goes to landfill. As opposed to many of our compostables and recyclables, there is a path for those especially rigid plastics where everything can be recycled through our current system. Consequently, switching to nonEPS foodware would also

align to our city's Green Vision goals. Staff is finally finalizing a compostability study right now to determine whether or not many of these if you will claims, compostable materials are truly compostable at least in our system right now. A study is due to be finalized later this month but some preliminaries also show some variabilities of whether or not these compostables are really compostable within our system. So although we believe that compostables are probably the ideal alternative to go in the long run currently it just doesn't seem to work well in our system. So our hope is that over time, the standards become better, as well as just prices can come down, where it would be a better option. However right now, it just doesn't seem to fit in our collection system. Lastly, the economic study that was performed, which sought to better understand how a swish away from EPS would impact the restaurant community, although we acknowledge that this potential ban would simply be another fee or another increase on the operation of a business, the study found in general that a small percentage of the restaurants limited service who rely a lot on takeout and have a certain if you will revenue stream would be most impacted. However, it's significant, the vast majority of restaurants should need or overall average of the restaurant community would not be significantly impacted was the final determination on this study. Despite the SB 568, local restaurants 58 cities California cities have ban EPS foam foodware and locally several are strongly considering it. As you will see from the map there is local momentum for regional action and San José would be instrumental in that. Litter knows no jurisdictions so if all of the region could take an action we'd see a greater environmental impact or benefit I should say overall. Based on additional findings and better understanding of impacts on restaurants and how the material would be handled in San José solid waste stream, unique approach to eliminating EPS foodware. Specifically staff is recommending a phase-out. Which is not common out there. We suggest starting with large restaurants, large restaurants their base operation does not rely on take-out food so they use less take-out toad packaging. And many of these restaurants or chains have had to zeal with this phase out in other jurisdictions, they have already learned about this and their phaseout would be simpler, easier in San José. With the delayed implementation of smaller restaurants that would give those folks a little longer to implement the change, get rid of inventory as well as allow the continued trend of compostables and recyclable materials to come down in price. Also not specifying a switch at this moment to compostables as many of our other cities within California would have done would allow the businesses more flexibility to choose either what's best for their operation or what's more cost-effective for them as well. Would also allow financial or product hardship exemption which many agencies have done. However today from our

knowledge from our inquiries of several cities no one has really taken advantage of that hardship exemption. With the permission of the council acknowledge we need to go out there reengage with folks we plan to do one on one meetings with the restaurant association with the business districts to talk with them and ask for their input to help them gauge the work together on it. So with that, we ask the committee to consider acceptance of the report and the recommendations on EPS.

>> Councilmember Liccardo: Thank you, Napp, thank you, Elaine, thank you, Kerrie. I know this is an extraordinary amount of work that went into the report, so thanks for your good work. We have many members of the public who would like to speak, so if that's all right with the committee why don't we go to the public first and then we can come back for discussion. Joel Corona from California Waste Solutions, followed by Ryan Kenney from the American Chemistry Council. Welcome.

>> Thank you, council and staff. My name is Joel corona with California Waste Solutions, we would like to thank staff for the report.

>> Councilmember Liccardo: Would you pull the microphone up?

>> Would you like me to start over?

>> Councilmember Liccardo: Is the button not on? We can hear you.

>> Once again I wanted to congratulate elected officials and staff for the work that they've done, the research, the action and the reports that they've provided for these two products. We do appreciate the utility of the products. But we are here to support staff and council in their action. We want to recognize the environmental threats and damage that these materials cause to our environment, as well as our recycling stream. In addition to the things that have been mentioned today, there's a significant safety risk of these materials in the recycling stream. Especially for the single family residential process a lot in your town. We've got safety to people. Many of the items that are placed in these bags are very hazardous, have caused injury to our people. And one thing we

emphasize to everyone who visits this san JosÉ is presented before one of our employees and colleagues every single day so it's a very personal issue. These are husbands wives sisters brothers that have to deal with these sterlings and there's often bad things in these bags. Secondly as to do with damage to equipment due to jamming. And additional maintenance cost which is also a safety issue and thirdly is the degradation of the product quality. That reduces the product quality the revenues that are generated by these ratepayers and citizens of San José. Additionally, wanted to add that in the polystyrene arena there are these similar characteristics. These items are obviously are often very heavily food contaminated. They harbor vector and vermin infestation even by the time they reach our facilities. They are discarded routinely, and end up in the same areas that you find the bags, in the streams, in the storm drains. And finally, our Oakland operations which processes slash times to the City of San José has had great benefits by the reduction and the elimination of the EPS materials. Do you have questions please?

>> Councilmember Liccardo: Thank you very much, Joel. We'll come back to you with questions. Thank you very much. Ryan Kinney welcome followed by David Wall.

>> Good afternoon, honorable members of the T&E committee my name is Ryan Kennedy with the American chemistry council. Would like to make a few notes here. Some believe that banning EPS food service would result in a net litter reduction out of the litter stream but this is not true. Litter studies have routinely borne out the fact that a ban of EPS food service result in equal increase in alternative litter products. It is important to note that in the staff report, they mention that foam litter is up between 7 to 15% of the litter composition. However, not one, not one of the studies mentioned talks about phone food service litter. It's all just foam in general, does not differentiate between nonfood service and food service. So since we're having a discussion on a food service ban, we believe those studies are completely insufficient to this discussion. In fact, we did find a study authored by environmental resources planning, that found on average, polystyrene food service litter is only 1.5% of the trash composition environmental studies in '08 and '09, the '08 study found that polystyrene food service litter is .8% of the litter composition and 2009 founder that polystyrene litter is 2.4%. So from what they mentioned today. It's also important to note that the justification for staff back at the January 24th council meeting was to achieve an 8% compliance credit, towards the overall 70% reduction goal by 2017. Not only were those credits never

approved by the regional water board we were informed last week that they are in the most of notifying jurisdictions that the credit system is scrapped. So the entire justification by staff at the January 24th meeting is now different than what it was back then and that system has been rejected. It's also important to note that of the 58 cities discussed today that have banned polystyrene in California not one has demonstrated a litter reduction. There's no empirical evidence to show that they have achieved less litter with a polystyrene food service ban.

>> Councilmember Liccardo: Thank you.

>> Thank you very much.

>> Councilmember Liccardo: Thank you. David Wall. Followed --

>> First a little math problem for you. In this room today we have the director, assistant director, deputy director and program manager of environmental services department, representing roughly \$1 million in taxpayer money and benefits. The last two speakers have spoken so eloquently that I cannot add anything from a technical standpoint. The last speaker in particular, should concern you greatly. As to the inability for you to trust the information coming from your senior command staff at environmental services department. Lastly, the impetus of accolade in this room on that particular issue goes to you Councilmember Liccardo and you Councilmember Rocha, for your expertise in this arena. And Councilmember Herrera, thank you as well. For your dedicated questions routinely in this arena over a protracted period of time on your own committee. I would suspect and actually respect that this committee, this outright excuse environmental services department for any type of participation or questioning because you cannot rely on them as a function of the previous speaker. Thank you.

>> Councilmember Liccardo: Thank you, Mr. Wall, Evan McGovern who I grudgingly admit is a St. Ignatius graduate. .

>> Father of the starting strong safety Friday night too.

>> Councilmember Liccardo: Congratulations.

>> Thank you. Thanks for the opportunity to speak. Ed McGovern representing the American chemistry council. As was noted these notion of the mythical credits has been dropped. The percentages that you were going to get if you banned polystyrene. And which is great because now we can really talk about what the outcome is which is how to reduce litter in your -- in the city. Since March, to that end since March and at the urging of the council last January, our industry has engaged in a public-private partnership to reduce all forms of litter in the city. I'm not going to steal the thunder of one of my other colleagues who is going to speak, very impressive the one thing I would note from that I'm let him tell you what they gathered but over 95%, this is real world picking up trash in the waterways, 95% of that is not even -- doesn't have anything to do with polystyrene. Which points out my next which goes to my next point which is if bans are going to work then ban the literature we found. Ban regrets, ban potato chip packages, ban candy wrappers, ban all kind of take out packages. To solution in search of a problem. And there is an impact to small business. You've got minimum wage increase coming, health care cost incoming, two sales tax increases coming. None of those go to the small business's bottom line. You know, quite honestly, to have consultants suggest that these businesses use energy efficient lights or smaller portions to make their costs to align the costs so that they ask afford these alternative products is frankly a little condescending. And the hardship thing there's a reason that nobody's taken advantage of it quite honestly is because who's going to sit around in a small business and fill out a bunch of bureaucratic issues to let me use get rid of continue to do that and so I'd like to just say we're opposed to the ban and would support if that's not going to happen, support Councilmember Rocha's memo. Thank you.

>> Councilmember Liccardo: Thank you, Mr. McGovern. Alex Montiveros followed by Laura Casa.

>> Alex Montiveros so since March 17th this group has been out there cleaning a variety of different neighborhoods and creeks and rivers. Over this time we've collected over 4300 pounds, over 20 tons of litter. So I'd like to talk a little bit about some of the photos that have been displayed with an abundance of styrofoam that's been out there. I have not seen anything remotely close to that. So I don't know where these pictures are taken or

have been taken. We have collaborated with the San José Conservation Corps and they have done some litter studies and the litter studies have come back indicates that the styrofoam is less than 1%. Real life people going out there rolling up our sleeves trying to identify what the issues is, we are not seeing the percentages that are indicated and you know frankly it's something that we believe is unfair to the small business owner, to go forward with a plan that is an experiment and the small business owners, restaurant owners should not be the ones that pay for this experiment. Thank you very much.

>> Councilmember Liccardo: Laura Casa followed by Will Wang.

>> Good afternoon. Laura Casa, I'm the executive director of save our shores. We're a local nonprofit on creeks rivers and ocean. I'm here to say I very much commend the staff work on this very extensive report. I've worked with over 15 cities on banning styrofoam and I have never seen this kind of detail so I want to commend the staff for getting this done. As far as what we have done styrofoam so I have a graph that I think is very telling. We actually do track the number of styrofoam food containers that we pick newspaper our cleanups. I know you can't see this close up but this graph shows the number of styrofoam food containers we've cleaned up before the ban went in place in Santa Cruz, Monterey and coastal San Mateo County. That was in 2007. In 2011 you'll see on the fair right a 50% reduction so we were averaging about 12 styrofoam food containers per cleanup. We're now down to about six. The question is why are we still seeing six? When every area except for San city of course. And that's because people come over the hill to enjoy our beaches and to enjoy our rivers and they are bringing styrofoam food containers most likely if it is made readily available, from here I have heard testimony from several of the business owners that have gone through this whole process. They have found the process to be better than styrofoam. They are finding it relatively one or alternatives so I hope that you'll move forward. If I just have a moment I just want to read a clip from a letter that people from the island of St. Croix who really want to ban styrofoam and they said because they couldn't be here today, until the leading and more powerful communities in the U.S. such as San José do what they know is best for their populations, a smaller less influential places will never have a chance. So I beg you please think of the future, think of what you know to be true. And ban a very dangerous and detrimental chemical from our environment. I hope today you'll move forward so that little place like St. Croix can follow your lead. Thank you very much.

>> Councilmember Liccardo: Thank you very much. Mr. Wang followed by Mike Buoy.

>> My name is Will Wong, I'm a franchise owner of Chickfil-a. A with we are using foam cups in our restaurant to serve our guests but our guesses are pleased to know that we are actually recycling foam cups in my restaurant here in San José. So because of that I based that decision because of studies we've done in my restaurant that our guests just, their needs, they love the fact that the foam cups perform better than alternative test cups and because of that I didn't want to encourage the cost open them and the fact that we are able to recycle the foam cups I decided to keep with that. And ultimately foam cups is cheaper, it costs less than the alternative cups. The money that we save from that, we're able to allocate that money to build community in San José where we're able to work with various organizations the three and a half months that we've been here and we've actually given over \$8,000 word of chick Fil-A switches, christmas party. Those are things we're able to do, just not money back in my pockets. The wage increase in 2013, horizon amongst the sales taxes increases I'm just requesting that you might stop the consideration of banning EPS packaging to allow me as a small business owner to sustain a profitable business, still be a great environmental steward and really be allowed to continue to build community in San José in my area.

>> Councilmember Liccardo: Thank you very much. Mike Lee followed by Aron Racindes. Welcome.

>> My appearance first time. Responding to manager of chick Fil-A, I command his stewardship of recycling styrofoam. But that doesn't stop the consumer from walking out and littering it themselves. So I mean there's that consideration, about that. And then a lot of consumers don't know that like styrofoam is produced using chemical - mixing two reagents to, two-form styrofoam and they actually microwave the styrofoam in the microwave and they're eating it, because it's unhealthy and it's made from nasty chemicals. Let's see, at the Pacific ocean, the like plastic, they absorb pollutants like PCB and EDT. It's more concentrated like if you drink water, it's like asponge for pollution. Fish eat it and then we eat the fish and it's a health care cost, what else? And I think styrofoam behaves the same way, it's spongy and it behaves like plastic. The life cycle pollution of styrofoam is like global warming, industrial waste some prevention of styrofoam does more justice than recycling styrofoam

because of -- if you look at the life cycle, you need to extract, produce, and along the way you have pollution. So there you go.

>> Councilmember Liccardo: Thank you, Mr. Buoy. Aron Racindes followed by Kathy Buoy.

>> Aron Racindes, I represent the business association. Ing on Story Road and fast food restaurant on King Road some they were kind of afraid to speak but they know what's going on. We cannot be antibusiness. They are afraid of the new ordinance that is coming of the minimum wage and then, they ban the styrofoam, it's going to affect them very bad. You know, it's very hard what I have seen, but also, many other restaurants they could not attend. They had to take time out of their restaurants right now and they are unstaffed. There are many others that cannot come. And also, work with the San José coalition, one of the cleanups that we make on sunset shopping center, we collect almost one ton of trash. Of that some we didn't see any styrofoam. It was kind of zero. And the numbers that show, you know, that show is ridiculous. Because we don't see that. There's no restaurants and small restaurants that are going to be affected and especially on that side of town, that's especially so please we ask not be banning everything from the city. That's a mistake. So I'm here to support is small businesses that could come. It's hard for them just to leave the work like they did today. So if you have any question for Beatrice or Alice.

>> Councilmember Liccardo: Beatrice, if you would like to speak, thank you very much.

>> She was afraid and also you know we have a lot of members that are afraid of City Hall. Don't ban that.

>> This restaurant that I come here to represent, we opened about three months ago. As of this point, it's really hard to sustain it. For we have a very, very high overhead. Like the gentleman mentioned right now, right now we ask barely afford to pay our employees minimum wage. Now we have this raise and if this is to pass it is really going to affect us. And not only us but the employees that depend on this business. Which is about ten of them. So it's something that we should consider deeply because like myself I'm pretty sure there are more businesses like us that are struggling to barely meet the minimum requirements to stay open. So it's just a matter

of consideration. I know it's -- it can be hurtful for the environment. But there are other ways we can go about this. Not hurting the same small businesses that are being -- getting hurt more and more every time.

>> Councilmember Liccardo: Thank you very much. Thank you. Kathy buoy.

>> Hello. This is also my first time. My name is Kathy buoy I live in district 7 East San José near Tully and king. I'm a student at San José State university currently. And the reason why I'm here to speak is that I'd like to encourage the banning of styrofoam. But at the same time, I'd also like to emphasize the fact that you do have to consider small businesses because of the socioeconomic impacts of people who may be detrimentally affected by this ban. So I wouldn't -- I care about the environment. But I also care about people. And I feel like those two values don't have to conflict. The goal of banning styrofoam is for the good of not just the environment but also for people's health and the same people that are eating from these food containers, I feel like it's detrimental. It's harmful to their health. I see my family members, a lot of them, I come from a Vietnamese American background and I see every time my family buys food, it's in a styrofoam container and they're putting this in the microwave and they are giving this to their children and letting me eat it and my grandmother eat it and seeing this happen and knowing, I'm an environmental student and knowing what's contained in that plastic I fear for the future of my young cousins who are exposed to this over and over. And I also care about the customers at these small business and their exposure to the chemicals in it. As well as the animals in the creeks. So I encourage that you pass the ban, but at the same time, also be aware that we don't have to choose between the environment and small businesses. That if you put them -- if you consider them, as -- when you're planning out how you're going to execute this, that there's a way for it to work.

>> Councilmember Liccardo: Thank you, Ms. Buoy. All right, that's all the public comment at this time. We'll turn now to discussion from the committee. I see no one jumping in so I'll just jump in. I know we'll come back for more. I saw the proposal of Councilmember Rocha I have submitted some policy. So I certainly appreciate that comment in the analysis of Councilmember Rocha's memorandum. What I think is important though is that we can't really accelerate the process, when February comes around we're going for a vote for the council. We can always slow it down. But it seems to me that giving everybody the notice that we may move faster, would be a

wiser course at this point, and I say faster, it's not a whole lot faster. After all, under the proposal that I suggested, small businesses would have a year and a half to adjust to this new policy, a policy which we have been discussing now for almost two years and which is being implemented widely throughout the state. So I think it's -- I would suggest that we would go forward with an accelerated approach because, simply, the approach we have in mind is with two years, is simply far in excess of what's necessary to ensure that everybody is aware, everybody has alternatives, made available to them, and I think staff has done extensive research demonstrating that there are alternatives that are both affordable and in some cases less expensive than polystyrene. Councilmember Rocha.

>> Councilmember Rocha: Sure, I had a couple of questions for staff. Can you speak to the differences in the percentages that were the findings about EPS in the litter analysis or assessment?

>> Well, I'm not sure exactly where they took their tests from. However we've worked with our SCV urban association, and have surveyed over 160 different location is throughout the South Bay including San José and Sunnyvale so we have a pretty large data set so we're pretty comfortable with the numbers we've seen. CalTrans as well as save our shores has done a pretty broad study as well. So I mean certainly from one single place to another it can vary completely, absolutely I acknowledge that however over the broad study we did we believe that the percentages we've given are fairly accurate or at least statistically based.

>> Councilmember Rocha: Okay. Can you also talk about the regional water quality control board's determination not to include this in the credits, so seeking their whole I guess assessment that they changed their analysis and how they are going to credit any ever this?

>> They are, they are studying that, they are looking at the exact credit system and absolutely the credits are not final. However this issue --

>> Kerrie Romanow: One speaker said they were not.

>> No they have not made the decision yet.

>> Kerrie Romanow: So we haven't gotten the final word on their evaluation of the points.

>> Councilmember Rocha: But I'm sensing a different tone from you than the last couple of meetings or the two years ago that I've been here that we expected those to be included so now it doesn't seem --

>> Kerrie Romanow: Might not be eight points but what we have been saying some our target was 40, we came back with 54, 57, that sort of felt artificially high so we expect there to be some adjustments along the way. But they have indicated that they like the idea of credits for action he but really the proof is in the results.

>> Councilmember Rocha: Okay because I think it is a legitimate result that these items have been hip and hip, the two years I've been on this committee. Now that there might not be if case, bifurcating merits of either one of them but I think it's a fair discussion now and part of the reason that I had asked for this to go to council so that we can have a discussion with the full council is I any it's a fair point for the full council to consider as well because again the two years I've been here all the discussions I've had here and also at council have kind of had those hand in hand so to speak. Again, it doesn't take away the mayors ever any action and I don't disagree the merits of any action. That's not for me the debate here. The debate here is me having all me colleagues have all the information in front of them and also any recent changes to make that decision. And also if we're going to talk about scope changes full county EIR, the merits of that that might be the best idea since sliced bread. But I would still like my colleagues repeatedly on many occasions if we're going omake changes in direction the full council should make that decision. Based on the trash load, I'm sorry I went on further than I expected.

>> Let me add to that, why are continuing to meet with the water board to discussion the trash load plans as well as how we're going to take credit or show reductions and they have acknowledged and recognized that both plastic bags and EPS foam litter are prevalent and persistent and they have acknowledged throughout our conversations thatons trash reductions so they do we haven't landed on exactly what the percentage reduction we will get for these types of action he but they are very -- they are priority actions for water board staff.

>> Kerrie Romanow: And I would add to that because we have been doing some follow-up field work even if the water board changes from the point based system and they go more towards assessments of the waterways, the plastic bag follow-up really showed that it was effective. And we would expect some action on EPS years down the road, would also show demonstrate a physical reduction in trash in the waterways. And so whichever way they go, taking the right steps we believe will get us to the place we need to be whether it's point-based or field studies.

>> Councilmember Rocha: Okay, thank you. That goes along with kind of what I'm feeling in my gut when I saw the memo from my colleague Liccardo, is that we're still talk about it in the same context almost, at least that last discussion we had so I kind of feel if we're going to bifurcate these can we do it at some point so we can talk about the merits of a ban not just an EPS but the trash reduction plan or the regional water quality control credit what are product and how that plays out because until that's final some just kind of feel like I'm not certain and to me it's kind of a significant decision, and I'd really like to make that a significant decision with all the information in front of us at least as much as we can have at the time. Another question I had about sort of, the term that's probably best, implement time line. What the steps are and how we would be doing this so we can look at maybe as a council and approve that time line whether it's outreach, whether it's reducing outreach to a week, whether it's continuing to be free whatever that may be however we lay this out before the council it helps me as I look at a significant action, hue ops community understand how we're going to approach this issue over time that might be helpful to lay it out now once we get to February whatever those decision might be. Those are just my personal opinions on the matter, thanks.

>> Councilmember Liccardo: Just for some clarification. The recommendation that staff has made is that in any way conditioned on any requirements for the NPDES permit or is that a desire to achieve any scoring? That was my impression from the report is that it was not. I just want to make sure that I understand clearly.

>> Kerrie Romanow: I think there are two major points to the discussion. One is the water board right now will give you credit for it and that has value because we have to do those things anyway. The other which why tried to

describe in our memo and our presentation is from an environmental standpoint it's the right thing to do. So both of those lead us to recommend doing something.

>> Councilmember Liccardo: Okay, because I actually was look at your report for some indication that, what the scoring was. I know in past reports we've seen it. I don't see it in this report that we're actually using it in any way to obtain points for scoring.

>> Kerrie Romanow: We don't need any more points until 2017.

>> Councilmember Liccardo: Right, that was the decision made several months ago, that this -- essentially we've already made the separation between decisions that we have to make for purposes of that permit and the decisions that we're making on EPS. In other words, one is not conditioned on trying to get points to satisfy.

>> Kerrie Romanow: Sort of because we would still need to have if the point system stays which we think right now it will stay in some form, we have another milestone in 2017.

>> Councilmember Liccardo: Okay. So we're not concerned about 2014 but we are concerned about 2017?

>> Kerrie Romanow: Yes.

>> Councilmember Liccardo: Got it, thank you. Mr. Wong noted in chick Fil-A, local polystyrene foodware, so my question is where are those polystyrene cups going from that chick Fil-A?

>> That's a great question and the same question that crossed my mind whether he provided the fest. I'm going to ask Joe to speak to who might be collecting his materials.

>> Councilmember Liccardo: Hi Jo.

>> Jo Zientek, deputy director environmental services. Just from a san José are able to recycle food contaminated or liquid contaminated polystyrene. Expanded polystyrene. So they may have a specialty place country and they're not able to do it effectively. It's just too expensive to pull it out and clean it.

>> Councilmember Liccardo: My understanding is the operators receive the material then they just landfill it.

>> That is correct.

>> Councilmember Liccardo: Okay.

>> Kerrie Romanow: So Jo through our commercial installer'chick Fil-ah would have to have a separate agreement with a different hauler?

>> The material would have to be cleaned and have to go to a specialized processor.

>> Councilmember Liccardo: Thank you. And finally on this I recognize everyone's got different impression of what they see in the trash when they go to look at creeks. And I've been in a lot of trash cleanups at Coyote and Guadalupe certainly and certainly I have my own anecdotal observations. when we were discussing plastic bags there were a lot of allegations that plastic bags in fact don't comprise a significant amount of our trash in the creeks as well. Was that right?

>> Kerrie Romanow: It is and you know we're never quite sure how folks are quantifying it. Is it percentage by weight, which of course they are very light materials, so it wouldn't be a high percentage if it were by weight.

>> Councilmember Liccardo: Thank you very much. Councilmember Herrera.

>> Councilmember Herrera: Thank you Chair. I was one of those that was reluctant on the bag ban, as it moved forward, because I was concerned about the impact on businesses. And the greater impact. And I have to say I'm

a believer now. I'm a believer and I'm very glad I voted for it in the end. I think change is really hard. It was hard for me to get used to the idea of carrying a reusable bag. And I have to admit I'm one of those that ends up paying 10 cents sometimes because I still forget. And I appreciate the young college students coming in here because that's the future and they want to make sure that people my age are doing right thing for this environment. So I -- I think about the bag ban and how I felt about it as I was going through listening to the discussions and what I think about it now. When I drove outside of -- we took a ride to Sacramento for some meetings for league of cities and I notice when we left Santa Clara County and headed out towards Sacramento we saw plastic bags stuck against fences. I don't see that in San José anymore. So I think there's been a very positive impact and I'm glad we've moved forward on it. Now I want to ask some things about this potential ban on EPS. Have we looked at the economic impact? On the slide we're look at the economic impact study in your report now and it talks about no lasting impact from the restaurants and restaurants routinely adapt to cost changes. I just think we really do need to be sensitive to the fact that a lot of these small mom and pop restaurants and I would say a lot of ethnic restaurants because I have a lot of letters here from local businesses who use, currently use polystyrene especially for carrying out hot foods, copy, soups, those kinds of things -- coffee, soups, those kinds of things i'm concerned about the impact on those restaurants. If we move forward I want to understand how we address some of the concerns that these restaurants have. I'm a native of East San José, a lot of my area is still East San José. I always feel that we tend to not look at the impact on the more economically challenged areas in our cities so I'm going to argue on the other side here for those businesses. And I really like the young woman who talked about the two sides of the coin. I think we have to be concerned about the environment. We have to be concerned about our businesses. We have to find a way to move forward that's not going to end up with people's businesses not being able to survive. And it's a real challenge that they have, having to now incorporate the minimum wage law which I did not support. Not that I don't support increasing minimum wage but I did not feel like that proposal was a good thing for San José right now. And so I am concerned about the impact of that and the other challenges that are going to happen for these small businesses. And in terms of especially the minority businesses and the minority owned restaurants.

>> Kerrie Romanow: And we share your concern for small businesses and we heard loud and clear the feedback from this committee last year, that small businesses and economic impact was something that needed

to be softened. And that's really what caused us to look at doing environmental impact assessment, and you know, I agree, the language in the report could be more sensitive. I don't -- I think it's easy to tell someone else to adapt and change. But we really are trying to find that sweet spot, where we can protect the environment, and not adversely impact businesses, particularly small businesses. So when we thought about sort of recommended approach, by doing the large business first, our hope was that prices would continue to drop further, to a point that by the time small businesses were being required to choose an alternate packaging source, they -- the prices would be close to where they are today. And that we would spend some time working with restaurants on not just replacing like for like. That we would talk about the spectrum of taxing solutions out there. But what we were recommending we do is, something that certainly we haven't done before, where we're not just bringing forward a draft ordinance, we want to go work with the businesses and validate some of the ideas that we have and work collaboratively with them to craft the ordinance. So there might be more exemptions than financial hardship exemptions or maybe our financial hardship exemption could -- what was the term -- could not be a bureaucratic mess of paperwork. And something if business needs it it would be more readily available to them. And so make sure we're hearing the community and we're coming up with something that makes sense for San José and eventually gets us to where we think we need to be from an environmental standpoint.

>> Councilmember Herrera: So Kerrie I like what I just heard craft this maybe I missed this somewhere probably in your memo missed it.

>> Kerrie Romanow: Long memo.

>> Councilmember Herrera: I think that's really good. I want to make sure we have representation from the businesses I'm concerned about. I don't know which happy about this ban and I didn't see any Vietnamese business in there, I didn't see any Chinese take-out business in there. I didn't see those types of businesses. So not that they're going to be that dramatically different but I do want to see that kind of representation so we really do have all the stakeholders that are going to be affected in this included in how it would move forward. I have another question, for anybody. What kind of a container do these restaurants are they supposed to use for take-out soup? The styrofoam seems to be mentioned a lot for take-out soup.

>> There's right now fiber based soup containers as well as -- mostly fiber based is what they're going to go to, can also be lined or wax, wax lined to keep it from leaking.

>> Councilmember Herrera: What's the cost differential with that?

>> I'm not sure off the top of my head, I'm sure it's in our pages.

>> Councilmember Liccardo: Two cents more.

>> Kerrie Romanow: I know that doesn't sound like a lot --

>> Councilmember Herrera: No that does sound like a lot, they may have to increase to charge their customers more. And I do think it's an economic impact. I had something else. The recycling. I just want to know, according to what I've heard, I've heard two different things in here. The polystyrene is not recyclable but I've heard a business 68 they recycled it. Is there somebody, can we hear from somebody that is -- can anybody talk about a -
- Ed McGovern I see your hand. Can you come up hereby and answer if you have an answer, is there recycle of this material or not?

>> Kerrie Romanow: In San José.

>> Councilmember Herrera: Fair enough, San José.

>> So I think you could ask, Mr. Wong, but I believe he's taking it to Newby island to allied's facility. Our industry provided them with a machine. Some of the councilmembers have seen the machine that recycles polystyrene, recycles food service that's been cleaned. I think that's where he's taking it, being recycled and reused. So the notion that there is not one in San José is just not accurate.

>> Councilmember Herrera: Okay, thank you.

>> I actually like our recycling expert Jo Zientek to share her thoughts on that.

>> May I say something?

>> Councilmember Liccardo: I think Jo is going to come forward first and then you can certainly respond.

>> Staff understands from Republic is they installed a densify are for packaging styrofoam so if it's clean they'll put it in the densifier and it's for packaging and then they can densify the and sell it. But the food-contaminated items they are not able.

>> Councilmember Liccardo: Joto just to clarify, I understand the top of page 12, we surveyed each one of these facilities in the South Bay area, Green waste, Greenteam, food contaminated EPS, is that right?

>> Yes, that's correct. If they get it, it goes in the trash.

>> Councilmember Liccardo: Okay, thank you.

>> Councilmember Herrera: Which means the landfill, right?

>> Councilmember Liccardo: Yes.

>> I had an issue like this with my family, with my wife and some of the children. If it was recycled or not. So I went to republic services recycling. And I saw some of the styrofoam that they had. But they say we're not required for the city to do this recycling. So the city might require to do this recycle and can be recycled. So I don't know. It seems to work out, you know, not affecting the environment but also not affecting the small business. We can come to something to the middle and just look at the San José clean coalition. We are doing that job,

partnering with them, cleaning up the neighborhoods but also showing that it's something we can do instead of just buying. Thank you.

>> Councilmember Liccardo: Thank you. Mr. Wong. What's your response very briefly. We need to move on in the agenda.

>> Appreciate it. Just to clarify through my republic waste hauler conversations and all that. They are recycling our foam cups. It meets the requirements to be recyclable through their facilities or machinery. I can't speak on that, the process of it right now, but they've assured me that they are doing it. Just to clarify.

>> Councilmember Herrera: I had a couple more questions. In terms of the litter in the streams and I know that the plastic bag ban has made a huge impact now, in terms of seeing less of this out there. What is the top, what are the top two, three types of litter out there? Doesn't seem like a -- polystyrene is not obviously the number one source out there.

>> You'll note in the pictures, I mean EPS is the most visible, it is white, it floats. You've known a lot of recyclable plastics that's in there. Too. A recyclable plastic piece will not fall apart and break into pieces so it's still conflictable. You still get it out of the creeks, the storm drains, the HDS units. However once foam breaks down it's very difficult or impossible to clean up and that's part of the unique issues or problems with the EPS.

>> Councilmember Herrera: Is it the materials from the restaurants that break down or is it packaging? Because I know that I once had a manufacturing company and we used popcorn and all kinds of styrofoam in terms of packaging and that sort of form of it seemed to be a lot more problematic in terms of breaking apart in pieces and what are we doing about that? What are we doing about the large source of polystyrene if we're really trying to do something about it?

>> It is a bigger problem absolutely, the pack EPS is much more of a problem than food containers. They break down these pieces not as easily but they do break down. As far as the packaging we are trying to look at stepped

producers responsibilities working through those partners and seeing it having the manufacturer of those products responsible for that. So we're working through those and looking at regional efforts, look at legislation.

>> Kerrie Romanow: Most of the packaging materials are not winding up on the street corner or in the storm drain. So you know, businesses unpacking their materials and they're discarding it, whether it's in the trash bin or it's going to a compressor for recycling they're not sort of throwing it out the window.

>> Councilmember Herrera: And it's clean styrofoam it doesn't have the food contaminants on it. okay. I just want to make sure that the process is really inclusive and takes into account gives small businesses the ability to you know to move forward in such a way that it doesn't harm them, overly harm them and I do, though, support the idea of it going to council. I think that's really important. So I would -- I'm trying to understand the difference --

>> Councilmember Liccardo: If I could just interject. I absolutely support it going to council. I think that's the point of my memorandum as well. Ultimately council will make the decision.

>> Councilmember Rocha: Can I ask a question?

>> Councilmember Herrera: I'll wait for the motion to happen here.

>> Councilmember Rocha: To look backwards to find out where we're at and pass direction, pulling up the agenda from January 24th, item 7.1, under the action that it's under is the short term trash load reduction plan and under that item is return to T&E with option he that move the city towards eliminating polystyrene. That's why I'm looking backwards and trying to get the discussion more if we're going to just outright ban it and we're not going to tie the two together, that's okay too but at this point I'm kind of confused, are they stand alone items or not? So that's why I'm getting to this point saying I'd rather have this whole implementation plan in front of me in a full discussion before council in February and again that doesn't take away from the direction, we can continue to debate that until 4:00 if you want. That's part of my confusion and why I raised this issue.

>> Kerrie Romanow: And they were originally separate, but because they were closely tied and we wound up pushing them together for continuity. They were more together because it just made sense --

>> Councilmember Rocha: I understand that. Haven't disagreed with that the entire time and on this action I supported it and I think council did as well. So I'll move my memo dated December 3rd, 2012.

>> Councilmember Herrera: And I'd second that. That includes Councilmember Liccardo's memo as well.

>> Councilmember Rocha: Within that memo it includes his memo for consideration before the full council.

>> Councilmember Liccardo: Thank you very much. All right after all that, I see there's no more comment I think we're all talked out. All in favor? Any opposed? Passes unanimously. Thank you. And we'll see you all back at council in February. So bring pictures of lots of trash. Okay. On from trash to pavement maintenance. Hans Larsen welcome. Item number 6 pavement maintenance policy and funding report.

>> Hans Larsen: So we have about a half hour left. And as I recall from my conversation with Mr. Larsen (inaudible) Hans what do you think about presentation time? How much do you think you need?

>> Hans Larsen: I will be brief.

>> Councilmember Liccardo: Okay. I'll take that.

>> Hans Larsen: So go ahead and get started Mr. Chair, members of the committee, I'm Hans Larsen director of transportation. And we have for you what's really our annual report on pavement maintenance. Since October of 2010, when the city council had a study session on this we've been back to this committee at least once a year and I think given the significance of the issue we've had additional discussions on it. And as the committee knows, we're facing two very serious issues with our pavement infrastructure. One is, we're facing a deteriorating condition, and an insufficient amount of funding to adequately take care of our -- the streets and particularly the

pavement. So we have come back to the committee to look at our options on how we can address both the condition and the funding. Last year, the committee took a couple of very significant actions, recognizing the very limited moneys that we have for pavement maintenance. We took actions to strategically allocate those funds to the most important uses. And that was when the committee and council adopted the priority street network. The city council also, this last budget year, did increase the amount of city funding for pavement maintenance, recognizing the needs to help address the growing backlog that we have. So I have for you kind of an update of where we're at at this point in time. I would some in the interest of time, just kind of signal where I think that we want to go with this. So we have related to the heart of the report we have identified nine different options in which we could see as ways to help deal with the shortfall of funding that we have. What we'd like to do is receive any feedback that you have on those options, and then I would propose we come back to this committee in February with an actual staff recommendation, laying out what I see really, a two-year work plan on how we go forward and proactively try oincrease the amount of funding for local street pavement maintenance. And really, that two-year work plan is tied towards a potential of taking something to the voters this in a 2014 time frame. So I'll just kind of get that out there to perhaps sort of guide your thoughts as I walk through some of the material. And this is just a summary of some of the staff report. Overall we have over 2400 miles of streets rated in fair condition. We've divided them between major streets and local streets. And our major street system is in better condition and that's largely the priority street network. Most of the regional funds we get state and federal grants have to be spent on that system and so as a result that Bart of our street inventory is in better shape than the local streets. These are the neighborhood streets that make up the majority of our infrastructure. We've identified a need to be spending about \$100 million a year. Unfortunately we only have about 20% of that, \$20 million. And as a result, we are seeing the condition of our streets continuing to decline to a point where now, we've assessed a 24% of our streets are in poor condition. The vast majority of those are in the local street network. This is kind of a new concept that we're introducing. The pavement maintenance pyramid. Kind of identifies what parts of the system are funded and what is unfunded. So as we've just discussed before, our highest priority is to keep our streets safe. So where we have potholes that are a significant safety issue we will deal with that on any streets within the city. After that we've identified a priority street network which is a little over 400 miles of our system. And with council action he this past budget season that is fully funded. So that's the good news. The bad news is that we have almost you know 2,000 miles of streets in our city that are unfunded for pavement maintenance. And so the

major components are the balance of our major street system. And so those are significant streets but not the four-lane, six-lane arterials and so it's the Taylor streets, it is the Neimans, it's the Foxworthys that fall into the other major street category that are unfunded but the important parts of the overall circulation network. So as we update our estimate of where we are, in terms of our system and our latest estimates are that we now have an unfunded backlog of deferred maintenance that's now at \$339 million. You can see, this is moving up by a good 40 million every year, and 24% of our streets are in poor condition. At the current funding level of \$20 million a year, by year 2020, we are projecting that we'll have a backlog of 870 million and emotional half of our streets will be in poor condition. This is sort of the outcome we want to try the avoid. It's only going to get more expensive the longer our maintenance needs are underfunded. The other things that we are facing is the demand to fix potholes is increasing. Obviously as the conditions decline, the work of our maintenance crews is up. This is a chart you've seen many times in terms of the funding history. The top of the chart is 45 million so it's less than half of what we need so that's the level of money that we're working with. You can see in red, that's the City's contribution. It's been much higher in the past when we've had the financial resources. It took a big drop but it got bumped up based on council's action last year. So again this chart it's like 15 years look back. And five years look forward. Another piece of good news is the blue, that's the new source of funding. This is from when the voters in Santa Clara County approved the \$10 vehicle registration fee increase so we're now receiving \$5 million a year from that. In looking at how we compare with others, unfortunately we have the worst pavement conditions in Santa Clara County. We're ranked 75th out of 109 jurisdictions in the Bay Area. Significantly, though, a lot of other jurisdictions are taking efforts and having some success in increasing funds for pavement maintenance. San Francisco approved a bond measure which is bringing them \$148 million in one-time funds to deal with their worst streets. That was approved last year. This last November there were tax measures by five various cities that passed. These were essentially sales tax measures that include pavement maintenance as components of them so they just needed a simple majority. So five passed. And then we have several counties that had mixed success with county-wide transportation programs. Napa county got their program approved. Alameda and Los Angeles County barely missed with those. They needed two-thirds approval and they were just about 1% short of that. The interesting thing with those is that we believe that it's creating an environment where there will be more stakeholders politically interested in lowering the two-thirds threshold for transportation infrastructure. We've already heard from Alameda County and Los Angeles County their interest in supporting legislation that reduces

the two-thirds threshold to something that was proposed last year was lowering it to 55% which is the ability that schools have for their bond programs. So the last part of it, really, most significantly are strategies that we have before us to look at how we can address this issue. The first one is one that we can control in look at this upcoming budget process. The good news is that we are seeing increases in revenues to our capital program. Which is where we fund pavement maintenance today. And so there's likely to be some opportunities to augment the city's funding for pavement maintenance in the upcoming budget process. Last year the council did consider a couple of local measures that opted not to move forward with them, one was a transportation bond measure. Around a sales tax measure. So those are also kind of in the inventory of things that could be considered. We have identified the potential of a voluntary program, if neighborhoods have the means and want to fix their streets we would be open to looking at that. The indications are that probably the neighborhoods that are most interested also are on streets that are on poor condition and there's a fairly high cost to be able to do that. Our initial estimate for one case study that we looked at, it would cost each property about \$4,000 to be able to get their street physics then you've got the challenge of everybody on the block spreading that cost. If you look \$200 a year but we're faced with we've got immediate expensive problem that you know is really the crux of our challenge. Looking at regional opportunities and we've always looked at this, as there's not one solution that's going to deal with this effectively. It's really going to take bits of money from multiple sources. So at the regional level we so go back and work with the VTA in looking at the vehicle registration fee, potentially increasing that. Another thing San Francisco got legislative authority to do this year was actually increase the percentage of the vehicle registration fee. It has historically been 2%. It was lower to two-thirds of a percent when governor Schwarzenegger came into office, campaigned on reducing the car tax. If it was raised up to 2% San Francisco estimated that they would bring in \$75 million a year. So that's a significant opportunity. At the regional level we have our sales tax measure with the VTA. We are the only self-help county that doesn't provide funds through the program back to cities for pavement maintenance. And so the strategy would be, at some appropriate point in time looking at modifying that. So that we might be able to have really the same benefits that many other counties have across the state. Item 7 is one I mentioned, legislatively getting a reduction in the approval threshold for local measures. And then 8 and 9 are look at state and federal solutions where there's increased investment at that level either through a gas tax increase or some other mechanism. And just to note that from an international level, the United States is really falling behind the rest of the world in terms of infrastructure investment. It's

estimated that the U.S. spends about 2% of our GDP on infrastructure, in Europe it's typically about 5%. China is investing at a rate of 8% and issue in terms of U.S. investment in infrastructure is larger than just local pavement maintenance but it is part of the problem that we're facing is that at a national level we're not getting a level of support that really seems to be more typical in most developed parts of the world. So I'll conclude my report with that. Again, looking for your -- just given the time, quick feedback. And we'd love to come back and in say the February time frame with some specific recommendations on a strategy that lays a path forward, for the next couple of years.

>> Councilmember Herrera: Thank you, Hans, for the report. We'll be looking forward to having you come back and help us with the plan to move forward, and figure out how we can make this picture look a little better. I was curious, on the measures that passed, and the cities or counties that used measures that were majority vote, those were just general purpose taxes?

>> Hans Larsen: That's correct.

>> Councilmember Herrera: Even though the name were regarding local streets they weren't earmarked specifically for transportation.

>> Hans Larsen: That's correct. What we did in the attachment to the report we did include the language that was on the ballot where it did specifically mention that yeah, it was for general purposes. But it -- there was clearly a message of funds being identified for local street pavement maintenance purposes.

>> Councilmember Herrera: And so when we looked at -- we looked at a potential quarter-cent and half-cent tax, we're looking at \$32 million, \$64 million to bring that in, that -- how much a dent would that have made, if that was going to you know just theoretically if that were all used for pavement maintenance, it wouldn't be but --

>> Hans Larsen: Again we have an \$80 million shortfall. I think, I don't know if Ashwini, if she worked on that but a lot of the General Fund needs we had were identified roughly in the \$30 million range which could be addressed

by a quarter cent sales tax. So the benefit that council would have is with a half-cent sales tax there's another \$32 million there that could have been dedicated towards -- for pavement maintenance needs and perhaps other transportation needs.

>> Councilmember Herrera: Okay. Thank you. Chair is back.

>> Councilmember Liccardo: Okay. Hans, thank you for the presentation. I just wanted to offer, I really think there's promise in San Francisco approach that you described, with restoring the license registration fee. I know we need to do it but given the dollars involved here being able to get some \$80 million in one shot probably with a county wide measure I'm guessing seems a whole lot more promising where sales tax where we're going to be competing with police, libraries. I think we all know where the first dollars are going to go with the sales tax increase it's probably going to bolster our police department and try to restore some pay. There's just going to be challenges I think unless we have a dedicated stream. I do think there's a lot of momentum around passing that two third approval 55%, MTC is going to strongly support that and I think you're going to see a lot of regions as you mentioned strongly support it. I just want to suggest I don't think it's time get us about \$6 million I think in the city and you know, \$5 million --

>> Hans Larsen: Another \$10 would be \$5 million.

>> Councilmember Liccardo: Five million I'm sorry. It's a lot of work on those county wide measures nor probably not a lot of juice and I think challenging as well, I think we've got some good options ahead but I know they're limited. Thanks for all your work. And do we need a motion?

>> I think Hans was asking to come back. So I don't know if you want to give direction to come back in February.

>> Councilmember Herrera: Motion to accept the report and to have Hans come back with a plan in, when was it?

>> Hans Larsen: I think February would be a good time. Be prepared to do that.

>> Councilmember Liccardo: Great.

>> Hans Larsen: So we'd incorporate it into the work plan for the next cycle for the committee.

>> Councilmember Liccardo: Wonderful okay that's the motion and we have David Wall that would like to any.

>> I would like to thank our honorable director of transportation. I hope he saves paper and give us the same report next time. I think we had the same what I mean by that if you have a property that has 100 units let's say pays \$5 for that parcel versus a single family home that pays \$5 for that same parcel but if you reformulate it to where every living unit pays you can raise an encouragement amount of money that way. Plus if on the end front you start an enterprise fund so you have definitive guidelines that county can't touch the money it goes directly to Department of Transportation for its uses. Another idea would be to make some type of zeal with an asphalt company to relocate here in San José some tax free status or whatever to provide really low-cost materials in conjunction with using prison labor for the light stuff, the pothole patches, things of that nature. There's a lot of things that can be done in this arena and I like that gap on the -- on Coleman street, there's a gap in the sound wall. That could have a fence with some razor wire. Vagrants are getting behind there and if they slip they'll fall to their death. Not that it matters to me if they fall to their death but I don't want to have the fire department or police department to have to scrape them up. Thank you.

>> Councilmember Liccardo: All in favor on the motion? Any opposed that passes unanimously. Thank you Hans stay where you are. We are going to the regional transportation activities report. Ten minutes. Ray, how fast can you talk?

>> Very quickly.

>> Councilmember Rocha: Move to accept. Sorry. Couldn't resist, Ray, sorry.

>> Councilmember Liccardo: Go, Ray.

>> Okay, well, first of all, my name is Ray Salvano, I'm department of Transportation. Today I wanted to take just take a moment and talk about the significant milestones that we have achieved over the last quarter. Or actually half-year. I think it's really a testament to our elected leadership and the partnerships that we forged with our regional partners both CalTrans and VTA. So last September, we had our groundbreaking for the 101-capitol expressway Yerba Buena interchange, phase 2 of the project, phase 1 is completed and we'll look to see the whole program improvement on 101 hopefully done in the early 2014 time frame. So it's been a long time and we're actually seeing that come to fruition and closure now. The 288-880 Stevenson interchange we had the ground break on that November 9th. We are very much looking forward to taking and getting that completed. One of the worst interchanges we have really in Santa Clara County. And then on September 28th, September was a pretty busy month we had the Blossom Hill pedestrian overcrossing ribbon cutting. This was a particularly touching event with the brother of Alexandra Arragus, cutting the ribbon, that opened the pedestrian overcrossing over the UP railroad tracks and Monterey road. It's segregate to go out there and see how many people are using this facility now. And then lastly October 5th was the ribbon cutting for the capitol expressway pedestrian improvement project as you have seen sidewalks street lighting, pedestrian scale lighting and landscaping along a corridor that had none of that in the past and the transformation has been dramatic it's heartening to see how many are using that facility with that, continuing with the good news, I wanted to talk about a program or project that has not been brought to either this committee or the city council, in the past, and that's VTA's light rail efficiency program. I wanted to also pass out a letter that was sent from VTA to the T&E committee. Really, further outlining some of the goals and elements of the program. Generally, the -- well, what I'm going otalk about will be the phase 1 element. There's some very long term elements of this program as well. But really, some of the driving forces behind moving this project forward now are the 49er stadium, 68,000 seat, 49er stadium up in Santa Clara on the Tasman line. Also the opening of BART on the Tasman East line. And being able to take and improve operationally facility and meet much of the transit demand in the county. In order to do that, VTA is proposing a number in terms of the phase 1 element, VTA is proposing a number of operational changes. They're listed here but they're probably easier to understand graphically. So what I wanted to take and point out to you

was, on the left is the current operating plan for light rail here in San José. So that's on -- the current is on the left, the proposed would be on the right. Focusing number 1 on the kind of greenish line there. That's the Vasona line. Currently that line originates in Campbell, comes into Downtown San José and continues up to Mountain View. Under the proposed plan, that particular corridor will come into Downtown San José, loop through and then go back out to Campbell. And I do have something that -- an element of that that I'm going to touch on here in a moment. But the other major elements are, you'll notice the orange line in the lower left, for the current plan, that's the Almaden spur. That line will, in the proposed future plan, be main lined going up 87 into downtown, continuing to Mountain View. It will be stopping at every stop along the -- along route 87. And it will run in parallel to revisions to the Santa Teresa Alum Rock line. Which is the blue line. As you see there's really no change between the two but in effect the Santa Teresa Alum Rock line goes actually run express service for a portion of the day, I think 4% of the trains are express trains that bypass the stations between Ohlone, Chenoweth and civic center. That line will now serve as an express line for all trains. So the bottom line on this one really is that in the downtown area, we're going to be seeing an increase in the number of train service with the addition of the Almaden-Mountain View line maintaining Vasona and then also to modifications to the Santa Teresa line. In order to take and make this plan happen, VTA needs to take and construct with they're calling a run-around. I think we've kind of called it a passing track or a bypass track. And we sat down the Department of Transportation, the Department of park rec and neighborhood services, arrived at this option at St. James park. North is to the left. The two yellow boxes there are the existing St. James stations. What we're going to be looking at is selecting one of these two option he that are presented here. And the way that this would work is, if I were to take and be looking at the bottom -- the bottom red line there, all trains would be operating along that bottom red line to the point where the blue line comes off to the left. That blue line coming off to the left will be the regular train service. Whether it be the express train coming from Santa Teresa or the Almaden-Mountain View line it would come over and serve passengers at that particular location. The Vasona trains, the ones that will be looping through downtown will be staying on, continuing on the red line, and will serve -- will serve that platform. In addition, they'll likely, well, they will lay over at that station for up to seven minutes. And this is really more of a timing thing that VTA needs to be able to incorporate, provide some flexibility in their -- in their operating plan so that it allows the Almaden trains and the Santa Teresa trains to move through corridor while the trains here will dwell, then turn around and go back out to Campbell. There's a lot that still has yet to be done on this. We do have a meeting tonight with the St. James

neighborhood association. We're looking at some businesses, residences, residents and preservationists in attending. And we'll be bringing this item back to you as the plan develops.

>> Hans Larsen: This is the last item we wanted to just share with you in terms of information. This is for the BRT system for the -- in the Santa Clara Alum Rock corridor there's traditionally been planned for a bus stop BRT stop at event Season street where the current location is. There is now active consideration of looking at that in the 5th street corridor which would be located in front of the City Hall and would provide passage to San José State through the City Hall plaza and the fifth street corridor. Staff has a meeting later this week to evaluate this from a variety of perspectives. There's a policy advisory board meeting also on Thursday, and so this is an issue that will be coming to kind of a decision point pick between the 5th and 7th street corridors. So just wanted to alert you to that. And so with that, I see you got a couple of cards. We'll conclude our presentation and open it up to any questions or other comments from the public.

>> Councilmember Liccardo: Thanks Hans if there's no objection I'll go to the public. Scott Knies.

>> Good afternoon, chairman Liccardo, members of the committee, Scott Knies, chairman, San José downtown association. I wanted to talk about BRT and LRT, give you a little acronym gobble did I goop there. talk about again on Thursday the East valley policy advisory group so it's going to be going into the environmental review. And the plan is to take another block's worth of park and loading out for a transition lane, both into transition into the full block we are taking out between first and second street. Half a block between first and market and half a block between second and third. This really hasn't got an lot of sunshine out the into the community yet. That means the community doesn't know there's going to be another half block of impact but we're going to be going through a full environmental review on that. We have had some alternatives we've talked about. We're hoping it takes traction and we end up with a better alternative. Otherwise you'll have more folks talking to you in the future about this than you did about plastic and styrofoam earlier. On light rail some I was quite surprised to hear the presentation by Ray making it sound almost like a fait accompli, best thing since sliced bread. We're still a little shock that there's a presentation to put this in one of the city's historic parks. This isn't a transit center, this is St. James park. When you say we're going to dwell a train, you've got four trains an hour, so

28 minutes out of every hour you're going to have a train sitting, wherever this layover track gets put. Although I like the run-around track better because we are getting the run-around on this. These streets, in park, is San José's. This isn't how do you move train, how do you move bus from point A to point B. The city owns the park the city owns the streets. We really need to stop and think about what's the best thing. There are other places besides the downtown for the light rail efficiencies, especially for you know you got a couple preseason games, eight 49er games every year and running all the other trains through. So we don't want a layover track in the downtown. I don't see one alternative that works but certainly it's inappropriate in one of jury national register of historic places.

>> Councilmember Liccardo: Thank you. Okay. Any discussion of this? Rose.

>> Councilmember Herrera: Ray I was wondering I don't remember seeing this proposal come to VTA. Which, do you know, when did it come? I guess somehow I missed it.

>> 23rd, it was part of the -- it was approved by the VTA board in 2010. It was part of the whole light rail efficiency program.

>> Councilmember Liccardo: I think the whole program was approved. I don't think there was any specific direction from the board about where the run around track would be.

>> I don't remember the passing tracks being at St. James park. This was new to me.

>> Councilmember Liccardo: I'm sure those bells would have gone off.

>> Councilmember Herrera: What committee is that slated to go to at VTA, do you know?

>> We do have some representatives from VTA that might know.

>> Councilmember Herrera: Would it come to our committee?

>> Councilmember Liccardo: TP and O.

>> Councilmember Herrera: My committee, okay. Do you know somebody from VTA want to say when it's coming to our committee or talk about that? It came in September? I must have been absent. I do not remember that.

>> Councilmember Liccardo: Unless I was absent that month. I know I was absent one of the months. But --

>> Councilmember Herrera: Brand-new information. (inaudible).

>> Councilmember Herrera: Was it a vote? Was the committee just information? When is it coming back to us? I'd like it to come back to us.

>> Hans Larsen: I'd say for the members of the committee, the specific concepts, I think the idea of needing a turn around, somewhere in the D.O.T. we just became aware of the specific options over the last month or so.

>> October 3rd. We had a meeting with D.O.T. staff. And Kevin Connolly, manager of D.O.T. staff. We have been working with staff of D.O.T. to kind of explore every option and this is one we proposed going forward. You know, ultimately the VTA board will decide. I think, and I appreciate, the VTA staff opportunity to explain the project as well. In the course of the VTA structure, to VTA board members. So we will be going through a lot of detail on that, as well.

>> Councilmember Herrera: Yeah, it's just usually we have heard about this before I'm hearing Ray present it at this committee so it just kind of caught me a little bit by surprise. What other committees is this going to be heard at VTA? So TP and O, downtown, the downtown advisory board?

>> It's not a downtown East Valley project.

>> Councilmember Herrera: So TP and O committee primarily.

>> Most likely.

>> Councilmember Herrera: We'll look forward to hearing about it.

>> Councilmember Liccardo: I look forward at look bat at that September agenda.

>> Hans Larsen: We do know since this is in the downtown, council had asked for a briefing on this, we had one set up sam and D.O.T. would be there --

>> Councilmember Liccardo: Certainly anyone else who would like to join us is welcome.

>> Councilmember Herrera: I chair the chair of that committee with Sam so great.

>> Councilmember Liccardo: Thank you for the information.

>> Councilmember Herrera: Information-packed.

>> Councilmember Liccardo: Unless there are any comments? Don.

>> Councilmember Rocha: Just one comment. I like to thank you for your report. Nice work on your side of the table. I wanted to ask if you could put up the slide of City Hall and the stations or the options of the stations and again reiterate my support for the yellow concept and this is a public facility and public justs I think are a good use of that site. And if we're going to make a decision like this, I'd rather see us land on the side of the public-private property an private property so thank you very much.

>> Councilmember Herrera: I wanted to say congratulations on the milestones that you showed earlier. I was fortunate to be at least one of those or two of those actually so those are great projects and it's been great partnership with City of San José and the VTA. We've gotten a lot of good things done very proud of this and thank you for the work.

>> Councilmember Liccardo: All around, okay, thank you gentlemen, I don't think we need a motion, is that right?

>> Councilmember Herrera: Just accept it.

>> Councilmember Rocha: Move to accept.

>> Councilmember Herrera: Second.

>> Councilmember Liccardo: All in favor, that passes unanimously. Mr. Wall you have the floor for public comment.

>> Yes, sir. First of all, I want to make sure that you are need that salary-savings in the environmental service department possibly plant operators went into funding the environmental innovation center. That's on page 3. On the December 11th agenda, council has established \$325,000 for Bellarmine college preparatory to pay for a use of wasted with the Mexican heritage plaza. I think it's well over \$500,000, \$600,000 a year. As a matter of fact, at CED, it was \$600,000 in year one, \$550,000 in year two, \$500,000 in year three. Of course this has a 10% subsidy for a sinking fund for capital improvements. I would suggest that you waive the \$325,000 to Bellarmine, in other words, gift this land, in consideration for all the ongoing scholarships of all different races and economic backgrounds that this facility provides to the community. Because the Mexican heritage plaza basically teaches kids to worship Pagan gods, Aztec gods, using rubber knives, cutting out hearts for the mayans, this is a ritualistic city event, which is I don't want to belittle the Arizona technicals and the mayans, since their calendar is going to

run out. But Bellarmine is very important and very unique to the society not just to San José but to the world. This is God's holy church we're talking about and I think giving back \$325,000 to the almighty, during the second or third week of advent, could aid in the healing of a councilmember's foot. We'll talk about it on the 11th, thank you so much.

>> Councilmember Liccardo: Thank you, Mr. Wall. The meeting is adjourned.