

*November 2, 2007
Palo Alto, CA*

FRANK'S WEEKLY MEMO

Three Reasons to Vote in the November 6, 2007 Election

Voice your opinion on these important issues: 1) Four full-term (4-year) City Council Seats; 2) Transient Occupancy Tax (TOT) Rate (Measure M); and 3) Advisory Measure on Reservoir Under El Camino Park (Measure N).

Postcard mailers were sent to Palo Alto's registered voters with information about the upcoming election. To learn more about these issues before you cast your vote, visit <http://www.cityofpaloalto.org/depts/clk> for information about the election and <http://www.cityofpaloalto.org/knowzone> for more details about the proposed measures, details which are provided on the last page of this Frank's Weekly Memo.

Recycled Water Pipeline Groundbreaking Ceremony

Palo Alto Mayor Yoriko Kishimoto will join Mountain View Mayor Laura Macias at a groundbreaking ceremony for the Palo Alto-Mountain View-Moffett Area Recycled Water Pipeline project at 3 p.m., on Wednesday, November 7. The ceremony will be held on the Palo Alto, Mountain View border at the median near the intersection of East Bayshore and San Antonio Roads in Palo Alto.

The pipeline will deliver 1,500 acre-feet per year of high quality recycled water from the Regional Water Quality Control Plant (RWQCP) to Mountain View North Bayshore business campuses, Shoreline Golf Links and Palo Alto Greer Park. The pipeline will serve as a backbone for future recycled water expansion projects. The \$21 million project is financed by a \$5 million State grant, a \$9 million low-interest State Clean Water Revolving Fund loan and proportional contributions from Mountain View, Palo Alto and the RWQCP.

Current and future generations will benefit with relatively inexpensive, drought-proof irrigation water to keep our communities green and conserve limited potable water supplies. For more information, call the RWQCP at (650) 329-2598.

Baylands Presentation November 7 in Council Chambers

Retired Senior Planner Virginia Warheit will present an overview of the Baylands Master Plan on Wednesday, November 7, at 4 p.m., in Council Chambers. Virginia recently retired from the City after almost twenty years



Designates an item related to one of the City Council's "Top 4" Priorities.

of service and, during that time, gained considerable knowledge of the Baylands.

The Baylands Master Plan was last published in the late 1980s; however, plan modifications are needed to reflect the numerous amendments approved by the Council since then. Virginia has done considerable research documenting the amendments to the Master Plan, and her presentation promises to be interesting and insightful. All are encouraged to attend.

Library Technology Expert to Speak on November 8

Seattle-based Library technologist Michael Porter will share his expertise Thursday, November 8, from 7–9 p.m. on how public libraries use new digital tools to build communities. His presentation, "Your Library's Future Has Changed: Technology, Content and Community," will be held in City Council Chambers and include a look at the web sites of innovative libraries that are using social networking tools and creative implementation to provide access to information and create connections in their communities.

Michael Porter is a Community Associate for WebJunction, an organization funded by the Bill & Melinda Gates Foundation to assist libraries and cultural organizations in meeting their objectives through the effective use of web-based technologies. His professional focus is on technology, community and training. He co-authors the "Internet Spotlight" column in Public Libraries magazine and is writing a book about effective electronic communities.

The talk will be hosted by the Palo Alto City Library, which is gearing up to develop a library technology plan by early 2008. This free program is sponsored by the Friends of the Palo Alto Library.

Lawn Bowls Tournament Saturday, November 10

The Palo Alto Lawn Bowls Club will host the Ed Arnold Invitational Tournament at the green on Embarcadero Road (between Waverley and Cowper) on November 10, beginning at 9:30 a.m. Spectators are welcome to come and see some of the top bowlers in the area compete. Admission is free.

The tournament honors Ed Arnold, who was a longtime member and past president of the Club. Ed continued bowling into his early nineties and died in August at the age of 97. For information about this event, please contact Community Services Manager Greg Betts at (650) 463-4906.



New Heritage Park Playground a Great Success

The new children's playground at Heritage Park is a fantastic addition to the neighborhood and represents the largest and most successful public/private partnership for a park enhancement in the City's history. More than 250 individuals contributed nearly \$230,000 to the playground project. The City would like to recognize and thank the Village Gardener who contributed \$46,500 in materials, labor and in-kind contributions to meet deadlines and make the project completely successful. The City is truly grateful for their outstanding contribution to the Palo Alto community.

It was no coincidence that the opening of the Heritage park playground had the largest turn-out of children for any of our park renovations. This playground will be deeply cherished by generations to come.

Play Structure at Mitchell Park Closed For Safety Repairs

The children's play structure at the Pine Grove area of Mitchell Park has been closed indefinitely for structural evaluation and repairs. Thanks to the careful observation of Parks Maintenance staff member Gus Ibarra, wood rot below the surface on two of the supports for the popular climbing apparatus was discovered before anyone was in jeopardy of injury. The play structures at the East Meadow area of Mitchell Park are open to the public and are not affected by this closure.

Parks staff will evaluate the entire structure and determine if parts of the play set can be effectively replaced, or whether an entirely new structure will be needed. Once a final evaluation is complete, an update will be posted at Mitchell Park.

Every piece of children's play equipment in each City park is inspected and tested for soundness every week. This thorough inspection program has resulted in an injury-free safety record of over ten years for Palo Alto's parks. For further information on our safety inspection program, please contact Parks Supervisor Robert Ward at (650) 496-6950.

More Information on Palo Alto Measures M and N in the November 6, 2007 Election *(continued from first page)*

Transient Occupancy Tax (TOT) Rate (Measure M)

A proposed change in the Palo Alto Transient Occupancy Tax (TOT) rate, generally referred to as the "hotel tax," will appear on the November 6, 2007 general election as a ballot measure, giving registered voters an opportunity to approve or disapprove a proposed two percent rate increase. Approval requires a 50 + 1 percent simple majority vote. If approved by



voters, proceeds from the tax increase, estimated at \$1.2 million annually, will be deposited in the City's General Fund.

The TOT is a pass through tax that is levied by hoteliers on behalf of the City on guests who stay in Palo Alto for 30 days or less. The TOT is not a sales or property tax, and is only levied on hotel guests. The tax is computed by multiplying the room rate by the tax rate percentage. For example, a guest paying \$100 for a one night stay would see their hotel tax increase from \$10 to \$12. Guests with occupancies of more than 30 days are not subject to the tax. In California, hotel tax rates range from a low of eight percent to a high of 15 percent and vary from city to city. The City's current TOT is 10% and this measure would increase the rate to 12%.

- **Authority to Levy Tax** - California Revenue and Taxation Code (7280) authorizes the legislative body of any city or county in the State of California to levy a tax on the privilege of occupying a room, hotel room or other lodging establishment for a period of 30 days or less.
- **TOT History** - Palo Alto first adopted its TOT in July 1970 at an original rate of five percent. The tax was assessed by hoteliers on behalf of the City on transients who stay in Palo Alto for 30 days or less. The initial five percent TOT was increased to six percent in 1976 and was last increased in 1983 to its current rate of ten percent. The 2006-07 fiscal year average daily room rate for Palo Alto hotels is \$137. The average occupancy for fiscal year 2006-07 was 72 percent.
- **Rate Comparison** - Palo Alto's current tax rate of ten percent is within the median range statewide and slightly above the median rate of 9.75 percent locally. Most local cities, with the exception of East Palo Alto, have TOT rates of ten percent. Statewide TOT rates range from eight percent to a high of 15 percent. The proposed two percent increase in the TOT rate will place Palo Alto above the local median rate of 9.75 percent.
- **Projected Revenue Increase** - An increase in the TOT rate of two percent is predicted to increase net General Fund revenues by approximately \$1.2 million annually.
- **What is the Current Need?** The proceeds of the TOT as a general tax will be deposited in the City's General Fund which means that 100 percent of this revenue will go to the City and be used for general governmental purposes such as street and sidewalk repair and other long-term infrastructure projects.

Advisory Measure on Reservoir Under El Camino Park (Measure N)

On November 6, 2007, Palo Alto voters have the opportunity to voice their opinion on an advisory measure regarding whether an area under El Camino Park should be used for an underground water storage reservoir and well to supply the City of Palo Alto with water during an emergency. The existing pump station will be replaced with modern equipment in its same location, and all existing park facilities will be fully restored upon completion of construction. This advisory measure will allow voters to indicate their approval or disapproval of the ballot proposal.



• **Emergency Water Supply and Storage Project Background** - On March 5, 2007, the City Council approved the construction of a new underground reservoir and well beneath El Camino Park and the replacement of the Utilities Department's existing pump station (Lytton Station). These new facilities are components of the Emergency Water Supply and Storage Project. Council made its decision after evaluating the Final Environmental Impact Report (EIR) for the project, recommendations of the Planning and Transportation Commission and the Utilities Advisory Commission, and several reports by City staff.

Before selecting El Camino Park, City staff considered numerous potential reservoir, pump station and well sites in Palo Alto and Stanford. In March 2005, City staff presented an initial evaluation of the seven potential sites to representatives from the residential and business communities at focus group meetings. Using feedback from these meetings and information from Utilities Department staff, the City Council identified four sites for further consideration: El Camino Park, Town and Country Center and two in the vicinity of Stanford Shopping Center. While these sites appeared to be viable due to many factors, placing the reservoir and well under El Camino Park has many advantages over the other sites considered.

• **Advantages to El Camino Park Location** (*View conceptual park rendering at <http://www.cityofpaloalto.org/civica/filebank/blobdload.asp?BlobID=9223>*)

- Will not displace or disrupt existing residences and businesses.
- Eliminates the need to construct a new pump station, since the existing pump station in El Camino Park will be replaced. No additional park space will be used to replace the existing pump station.
- Reduces reservoir and pump station construction costs as a direct result of proximity to existing Lytton Station building.
- Allows for replacement of the existing and aging 1950s-era equipment near the existing Lytton pump station building.
- Is expected to generate high well production due to proximity to San Francisquito Creek as the closer a well is to a creek, the greater the chance that the well will be high yielding.
- Will not permanently impact the current park uses of El Camino Park because all existing park facilities will be fully restored after construction of the underground reservoir, well and pump station.
- No parking spaces will be permanently lost due to the use of El Camino Park for the underground reservoir, well and pump station.

