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RESOLUTION NO. _____
RESOLUTION OF THE COUNCIL OF THE CITY OF PALO ALTO
CERTIFYING THE ADEQUACY OF THE CITY OF PALO
ALTO/STANFORD DEVELOPMENT AGREEMENT AND GROUND
LEASE PROJECT (STANFORD RESEARCH PARK) FINAL
ENVIRONMENTAL IMPACT REPORT, MAKING FINDINGS
THEREON PURSUANT TO THE CALIFORNIA ENVIRONMENTAL
QUALITY ACT, AND ADOPTING A STATEMENT OF
OVERRIDING CONSIDERATIONS
(State Clearing House No. 2003082103)

The Council of the City of Palo Alto does RESOLVE as follows:

SECTION 1. Background. The City Council of the City of Palo Alto ("City Council") finds, determines, and declares as follows:

A. The City of Palo Alto and Stanford University have proposed a Development Agreement, including a Ground Lease for the Mayfield Site and related comprehensive plan amendment and zoning changes ("Project"). The Project includes the development of a 6 acre community playing field and public park at the corner of Page Mill Road and El Camino Real, the construction of at least 250 units of new including at least 50 units of BMR housing, on sites currently developed commercially at 501, 1451, 1501 and 1601 California Avenue and 2450-2500 El Camino Real, and the construction of new commercial space in the Stanford Research Park ("Research Park").

B. The City as the lead agency for the Project has prepared a Final Environmental Impact Report ("Final EIR"). Pursuant to State CEQA Guidelines section 15132, the Final EIR consists of the following documents and records: "City of Palo Alto Draft Environmental Impact Report for the City of Palo Alto/Stanford Development Agreement and Lease Project" dated December 2004; "City of Palo Alto/Stanford Development Agreement and Lease Project Final EIR, _____2005", the documents referenced therein, and the planning and other City records, minutes, and files constituting the record of proceedings. The Final EIR was prepared pursuant to the California Environmental Quality Act, Public Resources Code section 21000, et seq. ("CEQA"), and the State CEQA Guidelines, California Code of Regulations, Title 14,

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section 15000, et seq. The Final EIR is on file in the offices of the Director of Planning and Community Environment and, along with the planning and other City records, minutes and files constituting the record of proceedings, is incorporated herein by this reference.

C. The initial Notice of Preparation was distributed on August 22, 2003. A public scoping meeting was held before the Palo Alto City Council on October 7, 2003. The Draft EIR was circulated for public review between December 14, 2004 and January 27, 2005. The Planning Commission reviewed, and held a public hearing on the Draft EIR on January 12, 2005.

D. The City Council, as part of this resolution, is approving a reporting and monitoring program pursuant to Public Resources Code section 21081.6. It is designed to ensure compliance with Project changes and mitigation measures imposed to avoid or substantially lessen the significant effects identified in the Final EIR, and described in detail in Exhibit A which is attached to this resolution and a part of it.

E. The City Council has reviewed and considered the information contained in the Final EIR and record of proceedings.

SECTION 2. Certification. The City Council certifies that the Final EIR has been completed in compliance with the California Environmental Quality Act. The Final EIR was presented to the City Council and the City Council has reviewed and considered the information contained in the Final EIR, staff reports, oral and written testimony given at public hearings on the proposed Project, and all other matters deemed material and relevant before considering for approval the various actions related to the 800 High Street project.

SECTION 3. Areas of No Significant Impact. The City Council finds that the Final EIR identifies no significant or potentially significant adverse impacts in the areas of Land Use, Plans and Zoning; Population, Housing and Employment; Hydrology and Water Quality; and Public Services, or Utilities. It identifies a beneficial impact on housing and public recreation fields.

SECTION 4. Significant Impacts Which Can Be Mitigated To A Less Than Significant Level. The City Council finds that the Final EIR identifies potentially significant environmental effects of the Project in regard to Visual Quality; Cultural Resources; Biological Resources; Transportation; Air Quality; Hazardous Materials;

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Geology Soil and Seismicity; Hydrology and Water Quality; Public Services; and Utilities. The City Council finds that, in response to each significant effect listed in this Section 4, all feasible changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effects identified in the Final EIR as summarized below. Each of the Mitigation Measures summarized below is more fully described in the EIR and in the attached Mitigation Reporting and Monitoring Program.

A. Visual Quality

All impacts were found to be less than significant, with the exception of Impact VQ-4, recreational lighting at the Mayfield Site public park. Mitigation Measures VQ-4.1 and 4.1, which require minimization of off-site visibility of light sources, spill light, and sky glow and the use of lighting timers to prevent lighting after 11:00 p.m., reduce this potential significant adverse impact to a less than significant impact.

B. Cultural Resources

Impacts CR-1 and CR-5 concern possible disturbance of unknown historic or pre-historic archeological resources. Mitigation measures CR-1.1, 1.2, 1.3, and 1.4, (archeological surveying, monitoring, avoidance where possible, and in the alternative, recovery and preservation) will reduce this potential impact to a less than significant level.

Impacts CR-2 and CR-6 concern possible disturbance of human remains. Mitigation measures CR-1.1 and 1.2, and CR-2.1 (cessation of work, notification of coroner and other appropriate authorities; possible re-interment) will reduce this potential impact to a less than significant level.

Impacts CR-4 and CR-8 concern possible disturbance of unique paleontological resources. Mitigation Measure CR-4.1 (cessation of work, notification of qualified paleontologist and recordation and conservation of resource in appropriate repository) will reduce this potential impact to a less than significant level.

C. Biological Resources

Impacts BR-1 and BR-5 concern potential disturbance of sensitive biological resources, both plant and animal, when new office space is constructed. Mitigation measures BR-1.1, 1.2, 1.3

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and 1.4, which requires pre-development surveys for "special status" plant species and sensitive wildlife species, followed by conservation and mitigation to state and federal standards, together with specific procedures to protect the California red-legged frog, the Western pond turtle, and riparian habitat, will reduce this potential impact to a less than significant level.

Impacts BR-2 and BR-6 concerns potential adverse impacts of the development of playfields on the Mayfield Site and on other development sites on oak or redwood trees protected by City regulations. Mitigation Measures BR-2.1, 2.2, 2.3, 2.4 and 2.5, which require surveying, replacement, relocation, and retention of oak trees on the Mayfield site, and compliance with the City's tree preservation policies, will reduce this potential impact to a less than significant level.

Impacts BR-3 and BR-7 concern the impact of tree removal and vegetation clearing on non-sensitive nesting birds. Mitigation measure BR-3.1, which limits clearing during nesting periods, will reduce this potential impact to a less than significant level.

Impacts BR-4 and BR-8 concern possible disturbance of special-status bats which nest in Spanish tile roofs. Mitigation Measure BR-4.1, which requires phased demolition that allows bats to disperse, will reduce this potential impact to a less than significant level.

D. Transportation

Impacts TR-1 and TR-9 concern interference with local traffic and parking during construction of new office space and housing. Mitigation Measure TR-1, which requires preparation and implementation of a construction traffic management plan, will reduce this potential impact to a less than significant level.

Impact TR-2 concerns the impact of increased vehicle trips from the community playing fields on the Mayfield Site and the first 100,000 square feet of new R&D/ office space on traffic delays at two intersections: Hillview Avenue-Fremont Road/Arastradero Road and Deer Creek Road/Arastradero Road. Mitigation Measures TR-2.1 and TR-2.2, which require Stanford to pay its proportionate share of the cost of signalization at those intersections, at the installation by the city of traffic signals if and when service levels deteriorate or traffic signal warrants are met, will reduce these potential impact to a less than significant level.

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Impact TR-10 concerns the impact of increased vehicle trips from the 300,000 square feet of new R&D/office space authorized by the development agreement on traffic delays at three intersections: Hanover Street/Page Mill Road; Hillview-Fremont Road/Arastradero Road, and Deer Creek Road/Arastradero Road. Mitigation Measures TR-2.1 and 2.2, and TR-10, which requires the City to add a second northbound right-turn lane on Hanover Street, will reduce this potential impact to a less than significant level.

Impacts TR4 and TR-12 concern the impact of new R&D/office space on the AM peak hour traffic on the southbound I-280 off-ramp to the Page Mill Expressway under Scenario B (200,000 square feet of new development in the Research Park south of Foothill Expressway). Mitigation Measures TR-12.1, which require implementation of improvements identified in the County Expressway Study at the Page Mill/I-280 exchange, is not feasible because the estimated costs of the improvements is \$5,000,000 and there is no funding source. Stanford's proportionate share of the total cost is too small to advance the project, which involves a Santa Clara County road and a state highway. In addition, implementation of these improvements is the responsibility of the County of Santa Clara and the State of California. However, alternative Mitigation Measure TR-12.1, which requires that Stanford operate a Transportation Demand Management ("TDM") program including a dedicated peak-hour express shuttle to Caltrain in the southern portion of the Research Park, will reduce this potential impact to a less than significant level.

Impact TR-13 concerns the possible impact of the development of the El Camino housing site on local circulation. Mitigation Measure TR-13.1, which requires that any El Camino Driveway be limited to right turns only both in and out of the site, will reduce this potential impact to a less than significant level.

E. Noise

Impacts NO-4 and NO-8 concern the potential for noise generated by mechanical equipment when new R&D/office space is constructed. Mitigation Measure No-4.1, which requires that rooftop mechanical equipment be shielded or enclosed to comply with the noise standards of the Palo Alto Comprehensive Plan and the Palo Alto Municipal Code, will reduce this potential impact to a less than significant level.

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F. Air Quality

Impacts AQ-1 and AQ-5 concern potential short-term increases in air pollution from demolition and construction activities. Mitigation measure AQ-1.1, which requires dust control measures, will reduce this potential impact to a less than significant level.

G. Hazardous Materials

Impacts HM-1 and HM-7 concerns possible exposure of future workers in replacement R&D/office space in the Research Park, or future residents at the housing sites, to existing contaminants at those sites. Mitigation Measures HM-1.1, 1.2 and 1.3, which require environmental site assessment, followed, if necessary, by the preparation and implementation of a work plan and corrective action plan satisfactory to state or regional agencies, or the implementation of site management plans, will reduce this potential impact to a less than significant level.

Impacts HM-3 and HM-9 concern possible exposure of construction personnel and the public to contaminated soil or groundwater, or both, during grading, excavating, and construction activities. Mitigation Measures 1.1, 1.2, and 1.3, and 3.1, which requires site-specific health and safety plans for excavation and construction, will reduce this potential impact to a less than significant level.

H. Geology, Soils and Seismicity

Impacts GE-1 and GE-4 concern exposure of persons or structures to substantial adverse risk of fault line surface rupture. Mitigation Measure GE-1.1, which requires special surveys, and if recommended, design changes, near the San Juan Hill fault, the Frenchman's Road fault, and the Stock Farm Monocline, will reduce this potential impact to a less than significant level.

SECTION 4. Significant Impacts Which Cannot Be Fully Mitigated.

Impact NO-1 concerns the impact of noise from construction activity on the El Camino Real and California Avenue housing sites and new R&D/office construction in the Research Park. Implementation of Mitigation Measure NO-1.1, which requires the use of "best management practices," would reduce construction noise impacts but may not eliminate them. The impact would be an interim

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one, but it could be significant. No additional feasible mitigation measures or alternatives have been identified that would eliminate this impact. Demolition and reconstruction of existing buildings is essential to the project.

SECTION 5. The City Council certifies that the Final EIR describes a reasonable range of alternatives to the Project, or to its location, which could feasibly obtain the basic objectives of the Project, and that the City Council has evaluated the comparative merits of the alternatives and rejected them in favor of the proposed Project as summarized below:

A. No Project Alternative.

This alternative assumes that the Mayfield site, the El Camino Real and California Avenue sites, and the R&D/office development within the Research park remain unchanged. This alternative satisfies none of the Project's objectives. It eliminates the new community playing fields and public park and fail to satisfy the project objective of increasing the City's housing supply. Compared to the Project, it has an adverse impact on public services, since no new park will be provided; it has a potentially significant impact on land use policies, since the Mayfield site would remain undeveloped; and it eliminates the beneficial impact of the project on housing and employment. It would eliminate any noise impact related to construction. It is not a feasible alternative since it satisfies none of the Project objectives.

B. Existing Zoning Alternative

Under this alternative, current zoning districts remain in place and sites are developed, or redeveloped, under those standards. This alternative fails to satisfy most project objectives, but it could theoretically provide housing. (Stanford has left the Mayfield Site vacant rather than provide housing on it despite the fact that it has been zoned for housing for many years.) It would not eliminate the one unavoidable adverse impact of the Project, construction noise. It would have more significant adverse impacts on traffic, and it would have an adverse impact on public services, since an opportunity to develop an existing undeveloped site as a park is eliminated.

C. Reduced Project Alternative

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Under this alternative, there would be only one soccer field at the Mayfield Site, only 250 units would be developed at the El Camino and California Avenue Sites, (excluding 1451 California Avenue), and only 230,000 square feet of replacement square footage would be relocated in the Research Park. While housing supply would still be increased, the improvement in city recreational facilities would be significantly less than in the Project. The Palo Alto Advisory Committee's Report to the Palo Alto City Council (December 2002) identified a need for all the proposed fields at the Mayfield Site. The Reduced Project Alternative is identified in the EIR as an environmentally superior alternative because it has reduced environmental effects in terms of light and glare from the recreation fields, less disturbance of trees and birds, less impacts on intersection levels of service, less traffic generation on residential streets and less dust. However, these impacts have already been mitigated to a less than significant level for the Project. Furthermore, this Reduced Project Alternative does not reduce construction noise to a less than significant level although the construction noise would be lessened since there is less demolition and new development. The value of additional playing fields and possible additional housing, both of which advance Comprehensive Plan policies, outweighs the interim adverse impact of construction noise. The City has noise standards in place which substantially reduce those noise impacts from what they would otherwise be, but they cannot be entirely eliminated.

D. Alternative Playing Field Location; Alternative Use of Mayfield Site

The Palo Alto Fields Advisory Committee's Report to the Palo Alto City Council identified no other sites on Stanford lands that are as desirable as the Mayfield Site. None would be as well located for users, in particular youth, and none are environmentally superior. The Mayfield Site location for the play fields has no significant adverse environmental effects.

During the public scoping meeting for the Draft EIR, it was suggested that the Mayfield Site be used for a hotel. When adopting the Comprehensive Plan, the City Council rejected this alternative. Furthermore, this use would not address one of the fundamental reasons for this Project, the provision of a recreational facility suitable for organized sports.

SECTION 6. Statement of Overriding Considerations. The City Council finds that the unavoidable environmental impact of the Project, described in Section 4 of this Resolution, is acceptable

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when balanced against the benefits of the Project, even after giving greater weight to its duty to avoid the environmental impacts, and to protect the environment to the maximum extent feasible. This determination is made based upon the following factors and public benefits which are identified in the Final EIR and record of proceedings:

a. The Project provides new community recreation fields for a period of 51 years, at an annual rent of \$1 per year. All improvements, with the exception of the additional cost of artificial turf, will be installed by Stanford at its expense. The quality of the design and materials is excellent. The location of the facility, on major thoroughfares, accessible by transit, and far enough away from residences to avoid disruption to them, is highly desirable. The site has been vacant for many years and has not been developed as housing, despite the fact that it was zoned for that use.

b. The Project provides new housing in the City, which has far more jobs than housing for workers. It includes a minimum of fifty below-market-rate units, a significant increase in the city's affordable housing stock. There is a substantial likelihood that Stanford will in fact develop seventy below-market-rate rental units, which will go even further in meeting the City's need for such housing. This alternative would provide high quality, desirable, family housing in an area accessible by public transport and adjacent to employment centers. Because all of the units would be centrally located rental units, with the majority of administrative costs to be incurred by Stanford or its assignee, the City's below-market-rate program administration costs would be reduced, leaving more money to be spent on expanding and improving BMR housing elsewhere in the City. In addition, Stanford would not use City's housing funds or City's Community Development Block Grant (CDBG) funding to subsidize the affordable housing.

c. The Project advances the City's goal of encouraging bicycle/pedestrian/transit connectivity in the Stanford Research Park through physical improvements, shuttle service, and the implementation by Stanford of a Transportation Demand Management system. Because recent development and redevelopment in the Research Park proceeded on a site-by-site basis, a comprehensive analysis and mitigation on this scale was not previously possible.

d. The Project converts the possibility of some

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financial assistance from Stanford in providing additional community services to new Stanford residents into a guaranteed new public park for the next 51 years. The value of the park leasehold and improvements far exceeds the value of any potential county-ordered impact payments.

e. The Project has a beneficial impact on traffic, and on the quality of life for those affected by that traffic, by replacing commercial development on California Avenue with residential uses that are more compatible with the adjacent College Terrace neighborhood. It does this without creating adverse impacts in other parts of the City.

f. The Project maintains and enhances the vitality and viability of the Stanford Research Park, an important and valuable employment center in the City and the region. While housing and a park are provided, there is no significant decrease in commercial space in the Research Park. The Project and the Final EIR prepared for it provide both data on the likely impacts of long-term development and redevelopment of the Research Park.

The City Council finds that each of the overriding considerations set forth above constitutes a separate and independent grounds for finding that the benefits of the Project outweigh its significant, but interim, adverse environmental impact and is an overriding consideration warranting approval of the Project.

SECTION 7. Substantial evidence supporting each and every finding made herein is contained in the Final EIR and records of proceedings.

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SECTION 8. The Council finds that there is no substantial evidence to support a conclusion that significant new information has been added to the Final EIR so as to warrant recirculation of the EIR pursuant to Public Resources Code section 21092.1 and CEQA Guidelines Section 15088.5. This finding is based upon all the information presented in the Final EIR and record of proceedings.

INTRODUCED AND PASSED: March , 2005

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

APPROVED:

City Clerk

Mayor

APPROVED AS TO FORM:

City Manager

Senior Asst. City Attorney

Director of Planning and
Community Environment

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Attachment A

Mitigation and Monitoring Program

(See DRAFT EIR; exhibit will be prepared prior to council review)