

TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

**DEPARTMENT: PLANNING AND
COMMUNITY ENVIRONMENT**

DATE: APRIL 7, 2008

CMR: 193:08

**SUBJECT: AUTHORIZATION FOR THE CITY MANAGER TO ENTER INTO
CONTRACTS WITH DESIGN, COMMUNITY & ENVIRONMENT AND
APPLIED DEVELOPMENT ECONOMICS TO PREPARE THE
COMPREHENSIVE PLAN AMENDMENT FOR THE SPECIFIED SCOPE
OF WORK NOT TO EXCEED \$850,000**

RECOMMENDATION

Staff recommends that the City Council approve the selection of two consultants, Design, Community & Environment and Applied Development Economics, for completion of the Comprehensive Plan amendment contract work plan and authorize the City Manager to execute contracts with the two consultants in a total amount for both contracts not to exceed \$850,000.

BACKGROUND

On February 13, 2006, the Council directed staff to develop a work plan to amend the existing Comprehensive Plan to a planning horizon no later than 2020. The focus of the amendment was to ensure that sufficient public services are available to serve new housing development and that sufficient land for neighborhood-serving retail uses is preserved. The Council also directed staff to evaluate the impacts of increased housing on public services such as parks, libraries and schools and to incorporate a goal in the Comprehensive Plan that would address the City's commitment to reduce global warming.

Staff developed a draft work plan consistent with Council direction that was approved by the City Council in June 2006; however, the budget for the work plan (\$800,000) was not approved until June 2007. The Council also extended the timeframe for the amendment from two years as originally proposed to four years to limit the amount of funding to be provided by the General Fund to \$200,000 annually, totaling \$800,000. Late last year, staff circulated a Request for Proposals (RFP) for a consultant team to work on the Comprehensive Plan amendment. Five consultant teams submitted proposals. Interviews of the consultants were held in mid-March.

DISCUSSION

Staff is recommending approval of two separate consultants for preparation of the Comprehensive Plan amendment work program. Design, Community & Environment (DC&E) would act as the lead consultant responsible for the bulk of the contract work plan and Applied Development Economics

(ADE) would be responsible for preparation of the economic analysis. Both firms were the unanimous choices of the interview panel which was comprised of Planning and Public Works staff.

DC&E has significant experience in completing General Plan/Comprehensive Plan updates for cities and counties throughout California. The firm integrates comprehensive land use planning with environmental review, enabling efficient and effective project management. The firm stresses community involvement and public participation as cornerstones of its work. The firm also has considerable experience preparing Environmental Impact Reports concurrently with plan development. The interview panel was particularly impressed with DC&E's experience with sustainability programs and principles and the firm's innovative public involvement skills. Attachments A and B are a summary of the draft work program submitted by DC&E as part of its proposal and a draft schedule for completion of the Comprehensive Plan amendment.

ADE specializes in fiscal and retail analyses for general plan updates. The firm provides in-house expertise for the economic analysis and is skilled at public participation processes which will be critical for successful completion of the amendment. ADE proposes to prepare a fiscal analysis showing both the current economic situation and the trends in public revenue levels and demands for municipal services. ADE's proposal includes conducting economic and market studies to identify opportunities to shift the land use mix to better generate revenues needed to support public services. ADE has been an innovator in combining fiscal analysis and economic development strategy. The firm stresses its effective communication of complex economic development issues to the public in terms of describing how the tax base provides the revenues needed for services to the neighborhoods.

The work plan for the Comprehensive Plan amendment approved by Council in 2006 is summarized below. A more complete description of the work program is shown in Attachment C and was included in the RFP sent to consultants last year.

- Revise base conditions and update growth projections:
 - Incorporate recent trends in planning /new data into base conditions and identify a realistic growth rate for development through 2020.
- Update the land use map and designations and rezone accordingly:
 - Prepare land use evaluations for the East Meadow Circle/Fabian Way/ West Bayshore area and the existing Fry's Electronics site and adjacent properties. The focus of the potential land use changes will be in these two specific areas; however, an overall evaluation of land use patterns within an area generally bounded by Highway 101, El Camino Real, Embarcadero Road and San Antonio Road will be required.
 - Evaluate existing land use definitions and determine appropriate uses.
- Review and modify appropriate Comprehensive Plan text:
 - Re-evaluate vision statements to determine relevance; current vision statements should serve as the framework for the amendment to the Comprehensive Plan
 - Scan all policies and programs for relevance and clarity.

- Focus on modifying policies that currently allow conversion of non-residential land to residential uses to prevent loss of potential tax dollars and ensure sufficient retail
 - Add or strengthen policies and programs that limit the loss of retail serving uses
 - Revise existing Housing Element to update Housing Inventory and modify policies and programs where appropriate
 - Address sustainability by incorporating relevant concepts from the City's Climate Protection Plan and underscoring the City's commitment to global warming
 - Identify general areas for new parks and community facilities
 - Enhance and integrate a pattern of walkable neighborhoods
- Update the environmental analysis
 - Prepare an Environmental Impact Report for the amendment
 - Provide thorough analysis of service needs to schools, parks and libraries resulting from project growth through 2020
 - Integrate CEQA significance thresholds used in the EIR in an appendix to Comprehensive Plan amendment.

The consultant team will be augmented by staff in completing the work program. City staff will be primarily responsible for the Housing Element preparation and identifying areas within the current Comprehensive Plan where text changes are needed.

PLANNING AND TRANSPORTATION COMMISSION REVIEW

At its December retreat, the Planning and Transportation Commission (PTC) requested additional review of the work program prior to Council consideration of the consultant contract. The PTC had last reviewed the work program in April 2006 and three of the current Commissioners were not on the PTC at that time. The PTC discussed the work program on February 27, 2008 and focused its discussion on how to successfully engage the public in participating in the amendment process since the Council had identified PTC meetings as the major forum for public input on the amendment (see Attachment D for the PTC meeting minutes). Individual commissioners also had several suggestions for modifying the work program, including undertaking an evaluation of the future reuse of Cubberly in terms of Comprehensive Plan policy; preparing specific plans rather than land use plans for the two study areas; identifying sufficient community center space; reducing the timeframe for preparation (to two years) and limiting the horizon year (to 2015) for extending the Comprehensive Plan; and evaluating uses and linkages on Stanford University lands.. Although the PTC does not participate in consultant selection, it did encourage selection of a consultant team that had both strong public participation skills and knowledge and experience with sustainability issues.

RESOURCE IMPACTS

The Council approved a budget of \$800,000 in 2007 for the amendment process over a four year timeframe at \$200,000 per year. The current proposals from the two consultants would require an additional allocation of \$28, 222 from the General Fund since the total cost of both proposals is \$828,222 which exceeds the original approved budget of \$800,000. The estimated cost for DC&E's proposal is \$729,742. The estimated cost of ADE's proposal is \$98,480. Staff is recommending increasing the budget allocation by \$50,000 to cover any additional consultant contract work.

POLICY IMPLICATIONS

The consultant work enables the Comprehensive Plan to be updated to focus on current City policy and adequately reflect the City's vision consistent with the goals of the existing Comprehensive Plan. The updated plan will provide an effective guide for future growth in the City.

ENVIRONMENTAL REVIEW

The selection of the consultants is not considered a project under CEQA; the Comprehensive Plan update will require preparation of an Environmental Impact Report (EIR). The work program approved by Council in 2006 called for staff to submit to Council the significance criteria to be used for the EIR for the Comprehensive Plan amendment when the consultant contracts for the amendment are considered by Council. These criteria are included as Attachment E and are based on current City policy and the CEQA Guidelines. These criteria are currently being used in all City environmental documents including the Stanford Shopping Center and Stanford Medical Center EIR. The work program calls for the criteria to be included in an appendix to the Comprehensive Plan and subsequently to serve as the thresholds for significance for all discretionary review in the City. Incorporating the criteria within the Comprehensive Plan should provide a level of consistency, predictability and objectivity in the City's assessment of environmental impacts.

ATTACHMENTS

- A. DC&E Work Program Summary
- B. DC&E Proposed Project Schedule
- C. Scope of Work for Comprehensive Plan Amendment
- D. Planning & Transportation Commission Minutes 2/27/08
- E. Environmental Criteria (Significance Thresholds) Used by the City of Palo Alto

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