



# City of Palo Alto

## City Council Staff Report

(ID # 3165)

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**Report Type: Consent Calendar**

**Meeting Date: 9/24/2012**

**Summary Title: Exploration of Formal Relationship with Yangpu**

**Title: Authorization to Explore Formal "Partnership Cities" Relationship with the Yangpu District of China**

**From: City Manager**

**Lead Department: City Manager**

### **Recommendation**

Staff recommends that Council authorize the Mayor to sign the attached "Intention Agreement" and direct staff to explore options for structuring a formal relationship with the Yangpu District of Shanghai, China.

### **Background**

Palo Alto has long been known as a center of innovation-driven business and culture, and has attracted visitors from many other cities and regions internationally. Over the last several decades, working with Neighbors Abroad, the City has established many formal "Sister Cities" relationships. Primarily, these relationships have focused on cultural and educational exchanges. Recently, we have begun building on the foundation of our cultural and educational ties with some of our Sister Cities to explore strategic relationships in the areas of sustainability and economic development as well.

Beyond our Sister Cities, the City regularly hosts visiting delegations from many cities and regions from around the world, largely on an ad hoc basis. The City is routinely asked to explore possibilities for additional formal relationships, especially in terms of connections to Palo Alto companies, talent, and best practices. In assessing how Palo Alto's should consider these offers to ensure mutual benefit to any such relationship and the establishment of the suitable policy framework for deciding to enter into a partnership, staff and various Council Members have engaged in dialogues with several key regions and cities. While we have had a series of very fruitful meetings with Heidelberg, Germany (we expect to be back to Council in the fall about Heidelberg), it seems clear that forming a relationship with a city in China at this time has the potential for mutual benefit for Palo Alto.

Over the past several years, the Bay Area Council, a business-backed public policy advocacy organization of which Palo Alto is an affiliate, has been engaged in creating a formal region-to-region partnership with the Yangpu District of Shanghai, China. As such, they have a working knowledge of the region, especially as it relates to creating value for the San Francisco Bay Area's cities and region. They also have staff based in the Bay Area and in Shanghai dedicated to promoting relationships of mutual interest. The Bay Area Council staff approached Palo Alto earlier this year to propose a partnership between Palo Alto and Yangpu. Staff is interested in connecting with the resources and expertise of the Bay Area Council to help ease our entry into this area.

## **Discussion**

Staff recommends engaging with Yangpu District, through our existing mutual ties to the Bay Area Council, in a non-binding collaboration to learn about the Yangpu region and China more generally and to explore potential opportunities of mutual benefit.

Earlier this year in July, representatives from the Bay Area Council and the California State Economic Development Commissioner introduced Yangpu District to the Palo Alto City Council. This presentation highlighted Yangpu District as a region with similarities to and potential benefits for Palo Alto, especially in terms of local higher education and business resources. Fudan University is one of the oldest universities in China and notable for its life sciences, natural sciences, engineering and technology, and arts and humanities. Additionally, VMWare, a major employer in Palo Alto is also a business leader in Yangpu. By partnering in our process with the Bay Area Council, staff intends to leverage their knowledge and resources, to establish a baseline of cross-cultural understanding, and explore a strategic partnership structure over for a period of no more than three years. During this time, the City staff will not explore formal relationships with other Chinese regions or cities. The product of our exploration is intended to provide the framework for identifying specific opportunities or initiatives to collaborate on that would then be brought back to Council for consideration and approval.

By executing the attached "Intention Agreement" at a special event hosted by the Bay Area Council, the City will express its openness to cultural exchange, learning, and exploration of partnership opportunities between our respective entities. However, the City will not be bound by any contract or held to any specific outcomes.

## **Timeline**

A signing ceremony for the attached "Intention Agreement" is scheduled with the City, Bay Area Council and Officials from the Yangpu District for Thursday, September 27<sup>th</sup>. Staff will work together with the Bay Area Council, and representatives of Yangpu to complete the exploration and make any recommended Council action within a period of no more than 3 years.

### **Resource Impact**

Some routine staff time will be absorbed, but staff will rely largely on the efforts of the Bay Area Council, which is a key factor in making this recommendation.

### **Attachments:**

- Attachment A: Yangpu Intention Agreement (DOC)

Prepared By:

Thomas Fehrenbach, Econ Dev Mgr

Department Head:

James Keene, City Manager

City Manager Approval:

  
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James Keene, City Manager

**INTENTION AGREEMENT BETWEEN**  
**CITY OF PALO ALTO, CA, USA**  
**AND**  
**YANGPU DISTRICT, SHANGHAI, CHINA**

In the spirit of friendship and the principle of equality and mutual benefit, through friendly negotiation, City of Palo Alto, CA, USA and Yangpu District, Shanghai, China, agree to execute this Intention Agreement to support the following principles and actions:

1. The Parties agree to explore mutual economic interactions to enhance the economic health and betterment of their respective communities and enterprises.
2. The Parties facilitate technological, scientific, environmental sustainability, educational and cultural exchanges between their communities.
3. The Parties strive to keep each other informed on important economic and civic issues.
4. The Parties will seek opportunities to promote public awareness of the agreement.
5. No Party has the power of authority to legally bind any other Party and nothing herein contained shall be construed as authorizing any Party to act as an agent or representative of any other Party. Nothing in this Intention Agreement shall be construed to create or constitute a legally binding obligation of the Parties.
6. The agreement shall have a term of three years through September 30, 2015 with an option for the Parties to consider renewal of the agreement at the end of the term.

In Witness, Whereof, the Parties have duly executed this Intention Agreement on this 27th day of September, 2012.

CITY OF PALO ALTO

YANGPU DISTRICT