

**PROPOSED ARTS & INNOVATION DISTRICT MASTER PLAN  
INFORMATION AND FREQUENTLY ASKED QUESTIONS (FAQ)**

**Introduction**

The master plan for a potential Arts and Innovation District along El Camino Real and University Avenue, between Downtown Palo Alto and the main entrance to Stanford University is in its early stages. The plan is an opportunity to shape the project concept as proposed by developer and philanthropist John Arrillaga and address the City’s long-term needs to identify uses and enhance connections to Downtown, Stanford, and the Stanford Shopping Center, as anticipated and funded in the Stanford Hospital Projects Development Agreement. The City recognizes this is a unique moment to initiate planning for this area, especially if Mr. Arrillaga proceeds with a development application on the site.

This plan and any associated projects will be subject to an open, public, and thorough review as they go forward, including an advisory vote by the Palo Alto electorate that is now planned for June 2013, early in the review process. When initially presented to Council in September, a vote in a March 2013, was suggested. It is clear that schedule would be too soon to allow enough initial public review.

The concepts and plans for the Arts and Innovation District will evolve significantly with city commissions, city advisory boards and community input. This is an extremely important location in Palo Alto and there are many different objectives, opportunities, and impacts that must be reconciled appropriately. This is a prime location with the possibility to create a legacy project. The plan will need to be right for Palo Alto and the City’s future, if it is to occur.

**Recent Project Changes**

The initial Arts and Innovation District Master Plan concept was presented to the City Council on September 24<sup>th</sup>. Following Council feedback, staff engaged the Planning and Transportation (PTC) and the Architectural Review Board (ARB) in public meetings and received additional community feedback in October and November. At the December 3, 2012 Council meeting, a number of changes to the original concept and Draft Master Plan will be presented. That will include new building heights, massing, and site layout plans and potential. That plan review and discussion will likely initiate analysis of additional ideas and perspectives. Additional details are provided in the FAQ section below and will be presented at the December 3<sup>rd</sup> City Council meeting. Key revisions are as follows:

**Reduced Office Building Heights and Mass:** The previous version featured two larger office buildings, each of which had two towers. The current proposal reduces and separates the footprints of these office towers, only linking the buildings through pedestrian bridges. Building orientation has remained the same, with two towers facing University Avenue and two facing Theater Plaza. There are significant reductions to the height and mass of all buildings, with the exception of the western building facing Theater Plaza, which has been increased in height by 11’. The following table compares the version of the office buildings which was presented to the Council in September, with the current version that will be reviewed on December 3<sup>rd</sup>.

	<b>University Ave. West Tower</b>	<b>University Ave. East Tower</b>	<b>Theater Plaza West Tower</b>	<b>Theater Plaza East Tower</b>
<b>9/24 Version</b>	10 stories (150.5')	9 stories (136')	6 stories (92.5')	7 stories (107')
<b>12/3 Version</b>	7 stories (103.5')	6 stories (89')	7 stories (103')	6 stories (89')

**Reduced Overall Office Square Footage:** The overall amount floor area of the office buildings has been reduced from 260,000 to 210,300 square feet. This has been achieved by significantly reducing the footprints and/or heights of the buildings.

**Julia Morgan Hostess House Building in El Camino Park:** In the revised master plan the historic Julia Morgan Hostess House is proposed to be relocated to El Camino Park between the soccer and softball fields. Future use of the Julia Morgan Hostess House building has not yet been determined, but the location in the park suggests a community-oriented use.

**New Lytton Bike and Pedestrian Underpass:** The revised master plan concept includes a new pedestrian and bike underpass beneath the Caltrain right-of-way, at the terminus of Lytton Avenue (just north of the existing tunnel). This underpass adds a direct connection between Downtown, the Arts and Innovation District and Stanford Shopping Center.

**Dedicated Bike Route Connection:** A new two-way, 10-foot wide dedicated bike route has been added to connect the proposed bike route north of the Caltrain station to the existing bike route south of the station. This would create a continuous bicycle network linking local and regional destinations, as well as directly linking bikes to transit.

In addition to the revisions above, there have also been significant changes made to the configuration of dedicated parkland, to the relationship and integration between the theater and park, and to the overall landscaping plan. Additional research related to potential retail at the site has also been completed. All aspects of this new proposal will be elaborated upon at the December 3 City Council meeting.

The following FAQ's were requested by Council at their last meeting and are being assembled and made public by City staff to support understanding of the plan and respond to many of the questions being asked. The FAQs are not likely to cover all the questions about the project, and will be an evolving document, updated as the plan and the process move forward. More information about the project can be found on the City's website: <http://cityofpaloalto.org/artsandinnovation>

## **A. Master Plan Overview and Purpose**

---

**1. What is the purpose of the Arts and Innovation District?** An Arts and Innovation District has been proposed for a key site that sits between Downtown Palo Alto and Stanford University. The site is approximately 4.3 acres in size and is owned by Stanford University. Bounded by University Avenue, El Camino Real, Alma Street and the rail corridor, and El Camino Real, the site has a history of master planning that goes back decades. The location is unique in Palo Alto in its commercial, cultural, transportation, economic, and social opportunities.

The proposed master plan concept responds to a number of needs and opportunities that are inherent in the site:

- A desire to improve the pedestrian, bicycle, and vehicular linkages between Stanford University, Stanford Shopping Center, Stanford Hospital and the downtown business and residential areas of Palo Alto;
- A need to modernize the transportation center to accommodate current and future demand and to facilitate easier and effective transit use that reduces auto traffic;
- A desire to accommodate employment uses that spur innovation, in state-of-the-art facilities adjacent to transit, in a signature location in Silicon Valley;

- An opportunity to provide a performing arts theater (TheatreWorks) as a complement to Downtown.

The Arrillaga proposal is philanthropically motivated, therefore it gives the City more latitude to explore creative opportunities and identify public benefits than would be possible with a typical development. This is a rare opportunity that the City may not encounter again for many years and merits consideration through the planning and review effort that is beginning to unfold.

The preliminary concepts that have been prepared for the master plan envision a cohesive district with the performing arts theater, a collection of mid-rise office buildings, and ground floor commercial uses, a variety of open spaces, and a redesigned transit center. The proposed building program reflects the unique nature of the site, and would not be considered appropriate for any other location in Palo Alto.

Preparing a master plan for the site allows the City to balance the range of elements and potential trade-offs in a comprehensive manner. The initial building heights proposed in the master plan reflect the financial yield to incent a wide range of possible public uses and benefits, as well as the functional requirements of the theater, along with the initial square footage Mr. Arrillaga was suggesting for the site. In exchange, the increased height allows a greater proportion of the site to be retained for open spaces and plazas. The ultimate height and form of the buildings in the district, however, will be further refined through the community input process.

Transportation will be an important aspect of the master plan. While the project would be fully parked per zoning code requirement and would allow parking to be shared between uses, aggressive Transportation Demand Management (TDM) measures would be incorporated, to take advantage of the transit-rich location and to reduce and manage project impacts. A significant amount of parking could potentially be utilized by surrounding uses in Downtown as part of shared parking agreement negotiations with the property owner.

The master plan process is ongoing, and will continue to be shaped by community input. These Frequently Asked Questions (FAQs) provide information on key elements of the proposed plan and the review process.

## **B. Site and Project History and Plan Description**

---

### **1. What planning efforts for this area have preceded this effort?**

This site has been the focus of planning efforts nearly continuously since 1880. Three recent efforts are particularly important to the development of this master plan: (1) Multi-Modal Transit Station studies in 1993, 2002, and 2007, (2) a Performing Arts Initiative in 2000, and (3) the Stanford University Medical Center (SUMC) Development Agreement in 2011. These plans are posted on the City's website. The transit and theater studies were not implemented, but provided valuable ideas and concepts to consider. The SUMC Development Agreement provided substantial impetus and funding to improve the bicycle and pedestrian connections from Downtown through the site and on to Stanford Shopping Center and the Medical Center and campus. The master plan incorporates the purposes and objectives of these efforts and addresses the deficiencies of the existing Intermodal Transit Station, but produces an alternative solution to those investigated by the Multi-Modal Transit Station Project Implementation Plan.

This master planning process is different than prior efforts in that a potential plan for implementation (The Arrillaga proposal) could unfold in conjunction with the plan. Other plans, despite their ambitions, have “sat on the shelf” with little potential for real life implementation.

## **2. How was the current planning effort for this area initiated?**

In August of 2011, Mr. John Arrillaga, a well-known local developer and patron of many public and private community projects, who has built and donated over 90 buildings to Stanford and other schools and communities, approached the City to discuss the possibility of developing an office building at 27 University Avenue. Staff responded that this was a critical piece of land that should satisfy key community needs, such as facilitating connectivity, providing a community “sense of place,” and perhaps a live performance theater, given past interest and studies. The theater emerged as a potential key component of the proposal concept, and considerable work ensued to define the nature of public spaces and theater needs that may make the project viable. In March of 2012, the City Council authorized the use of Intermodal Transit Funds set aside in the Stanford University Medical Center Development Agreement to initiate the study of a master plan concept for the areas around 27 University Avenue to understand how this area can better serve the City.

The City embarked on a comprehensive master plan effort, with weekly meetings of staff, consultants and key players. City staff and consultants have been collaborating extensively with staff of the major public transit agencies, and with Stanford’s Marguerite planners, to create long-term, sustainable transit solutions serving Palo Alto, Stanford and the region. Representatives from TheatreWorks and the patron/developer have been involved to contribute to a full and accurate understanding of needs and opportunities for various uses.

The City Council reviewed master plan concepts in a study session on September 24, 2012 and provided direction to staff to meet with boards and commissions. The Planning and Transportation Commission (PTC) and the Architectural Review Board (ARB) reviewed the master plan in a joint meeting and separate meetings. Also, in response to Council’s direction, the PTC and the ARB discussed height limits of buildings in Palo Alto in separate study sessions. Additional sessions are planned to present the concepts to and receive feedback from the Parks and Recreation Commission and the Historic Resources Board, as well as the broader community.

There has been some criticism of the initial process employed by the City, as it worked to develop the foundation for a plan to present to the Council. The plan, however, has been intended only as the beginning point for the public review, dialogue, and discussion that is now unfolding. It was important that a starting point be established, as staff and consultant worked “behind the scenes” to generate ideas, recognizing they could not perfect the starting *draft* proposal. This was unavoidable, as the process included not only a master planning component but a simultaneous reaction to and consideration of a potential development proposal on the site. The plans will change and adapt as they move forward through the public process.

The master plan concepts have continued to evolve to consider input from the public meetings. In response to input from the public, City Council, PTC and ARB, the most recent plan concepts will be presented at its December 3, 2012 City Council meeting, and will explore reducing the amount of office floor area and building height, refining the open space concepts, and further developing the connectivity network for pedestrians, bicycles, autos, and transit. The plans will also consider the relocation of Julia Morgan Hostess House building to El Camino Park and potential programming and uses at that location.

**3. What are the boundaries of this Master Plan? Why is this project commonly referred to as “27 University”?**

The initial development proposal only included office buildings on the 27 University Avenue site, and that site has been referred to as the site address for notification purposes. While the original proposal from Mr. Arrillaga focused primarily on the 27 University site, the City has now expanded the scope of the potential Arts & Innovation District planning effort to include the multimodal transit center, El Camino Park to the North and Urban Lane to the South.

**4. What exactly is being proposed as part of this project (height of buildings, etc.)? And how does the current version of the Master Plan compare to the version presented to the City council in September?**

Below is a table that outlines the details key site data for both the September and December versions of the project. A more detailed description of the entire Master Plan can be found in the City Council staff report and will be presented to the City Council on December 3<sup>rd</sup>.

	<b>September 24, 2012</b>	<b>December 03, 2012</b>
Commercial Square Footage (gross):	262,580	210,300
Office Ground Floor	23,080	24,600
Office Floors Above Grade	239,500	185,700
Office Height(s):	roof/mech	roof/mech
University Ave & Mitchell Lane Tower	136'-0" / 147'-0"	89'-0" / 99'-0"
University Ave & El Camino Tower	150'-6" / 161'-6"	103'-6" / 113'-6"
Quarry & El Camino Tower	92'-6" / 103'-6"	103'-6" / 113'-6"
Quarry & Mitchell Lane Tower	107'-0" / 118'-0"	89'-0" / 99'-0"
Office Number of Floors:		
University Ave & Mitchell Lane Tower	9	6
University Ave & El Camino Tower	10	7
Quarry & El Camino Tower	6	7
Quarry & Mitchell Lane Tower	7	6
Theater Square Footage (gross):	80,000	80,000
Ground Floor	35,000	35,000
Floors Above Grade	45,000	45,000
Fly Tower Height:	100	95

**C. Land Uses, Intensity, and Design**

---

**1. What are comparative building heights for existing buildings in Palo Alto?**

<b>Yr</b>	<b>Bldg</b>	<b>Roof</b>	<b>Highest Point</b>
1929	480 University , President Hotel	80 ft	-
1930	360 Forest , Casa Real	70 ft	-
1931	Hoover Pavilion	50 ft	105 ft
1941	Hoover Tower	285 ft	-
1942	Lucille Packard Children’s Hospital	98ft	114 ft
1943	Main Stanford Hospital	153 ft	180 ft
1958	101 Alma	123 ft	143 ft
1962	850 Webster , Channing House	142 ft	-
1965	501 Forest, The Marc	152 ft	-
1966	525 University - Bldg	237 ft	-
1970	250 Hamilton , City Hall	122 ft	-
1972	3000 El Camino Real Palo Alto Square	132 ft	143 ft
1975	180 Hamilton, Casa Olga/Hotel	76 ft	-
2006	2050 University EPA ** Four Seasons	113 ft	-
2013	101 Lytton	50 ft	70 ft
2013	Palo Alto HS Theater Fly Tower	80 ft	-

**2. How does the Floor Area Ratio (FAR) for this project compare to other Palo Alto projects?**

Floor Area Ratio is a commonly used metric that compares building floor area to total lot area. In Palo Alto, non-residential development is allowed up to 2.0:1 FAR in certain commercial areas. However, many buildings shown in the table above were constructed decades ago with FARs that significantly exceed 2.0. Although the exact FAR will be determined as the project is refined through the public input process, it is expected that the overall Master Plan FAR will be approximately 2.0.

**3. What will happen to the historic Julia Morgan Hostess House building?**

The building will be preserved and relocated to a new site in Palo Alto. John Arrillaga has indicated that he would move the building at his expense to a location of the City’s choosing. The City’s Parks and Recreation Commission formed an ad hoc committee to review relocating the Julia Morgan Hostess House building to several possible nearby locations. The Commission is scheduled to receive the presentation and discuss the concepts and concerns at its November 27, 2012 meeting. City staff is evaluating options that could move the building to El Camino Park, retaining the soccer and ball-fields and giving the building road frontage on El Camino Real. This relocation could allow for various not-for-profit, youth and community activities to occur in this building. Numerous ideas for programming at the site are being suggested by community members.

**4. What type of open/plaza space is being proposed?**

The signature open space would be a theater plaza designed as a vibrant public place, providing a setting for a new performing arts center and office buildings. It would be intended as a new downtown civic destination for visitors and the Palo Alto community in the downtown, visible from El Camino Real, El Camino Park and Stanford Shopping Center, and would incorporate outdoor seating, landscaping, and other pedestrian amenities adjacent to ground floor retail and service space. A new meadow is proposed to feature the redwood trees that celebrate Palo Alto Olympians facing El Camino Real. The Transit Ring Road would shape a pair of symmetrical landscaped parks forming the terminus of Palm Drive and entrance to Downtown, and roadways would be lined with shade trees and wide sidewalks. A new depot plaza is envisioned north of the existing historic train depot, where the proposed pedestrian and bicycle tunnel connects the project to Lytton Avenue.

**5. Why is Office use being proposed, rather than Residential?**

Office and Residential uses both benefit from proximity to transit, though studies show that office users are more likely to use transit when nearby than residents. Many employers are seeking locations close to transit so that employees do not need to drive to work, thereby minimizing traffic impacts. Office use is being proposed in the Arts and Innovation District in order to accommodate demand in Palo Alto for state-of-the-art office space. Palo Alto Comprehensive Plan Economics Element Goal B-3 encourages “new business(es) that provide needed local services and municipal revenues, contribute to economic vitality, and enhance the City’s physical environment.” The intention is to provide office space that can accommodate innovative new businesses, and/or allow existing Palo Alto employers to grow and remain in town, adjacent to transit. Neither Stanford or Mr. Arrillaga have indicated a willingness to build housing on the site.

**6. Why are the buildings being proposed at this height?**

Given the objectives to maximize open space, increase transit center capacity and have a state-of-the-art performing arts theater, the developer has proposed constructing buildings that exceed the City’s height standards. The increased height allows for smaller building footprints and more room for open space, the transit center and theater. The ultimate building heights, however, remain under consideration and will be refined through the community input process. This is a unique site in that it is relatively large, and therefore buildings can be set back farther from the street than many other infill developments. Being adjacent to El Camino Real, a roadway much wider than other Palo Alto roadways, also creates a design context that can support greater building heights. Staff does not expect to support other new buildings in Palo Alto exceeding 5 stories in height, since they do not share the distinctive size and locational attributes that this site has, in addition to the public benefits that could accrue.

**7. What are the implications of building more office space on complying with Association of Bay Area Governments (ABAG) mandates?**

ABAG’s housing and employment projections are based on regional and sub-regional estimates, and already assume substantial employment growth in the City through 2040, sufficient to accommodate what is proposed on this and other sites. It is unlikely that ABAG’s projected housing needs would change based on office growth in Palo Alto. For example, currently ABAG projects 29,000 new jobs in Palo Alto by 2040, whereas this project is estimated to generate about 1,000-1,500 jobs. Housing projections are based on the employment estimates, so they would not increase based on this project.

**8. If this proposal were to be denied, would the property remain undeveloped moving forward?**

The location makes this a very attractive potential development site. Therefore it is highly improbable that the land would remain unchanged for an extensive period. However, the type of development that could be proposed on this site in the future is not known and would depend on market conditions at the time. The site is owned by Stanford University and its representatives have not indicated intent for development in the near future. Any development that proceeds would necessarily be a Stanford endorsed and supported development. The current proposal is not a typical development proposal, however, as it includes philanthropic components, including the theater, the bike/pedestrian connections, realignment of the transit hub, and open space areas, as well as an intent to donate lease revenue to the University. As a cooperative venture, there is potential in this possible proposal, as the City could meet more community valued objectives in this proposal than are likely to be offered in future proposals.

**9. How does this relate to the Citywide and Downtown development cap?**

This project site falls outside the official Downtown Commercial Study Area, and therefore does not “count against” the Downtown development cap as described in the Municipal Code. However, the downtown development cap study, which will begin in early 2013, will take this project into consideration of parking and traffic impacts in the area. Any environmental document associated with this development will take existing and proposed downtown development into consideration, too. Finally, this project must be factored into the Citywide development cap as established in the City’s Comprehensive Plan.

**D. Traffic Impacts**

---

**1. Have any traffic studies been prepared for the Plan? What were the results?**

A Preliminary Traffic Assessment has been prepared to estimate potential traffic and transportation-related impacts associated with the master plan concept. A complete traffic analysis would be prepared as part of an Environmental Impact Review (EIR) process. Preliminarily, up to 3,000 new vehicle trips per day may be realized by the project between the proposed office and theatre uses, prior to any reductions from Transportation Demand Management solutions. This traffic would include 310 new trips during the AM commute period and another 328 trips during the PM peak period. Potential new roadway improvements include an extension of Quarry Road east of El Camino Real into the site as well as improvements to the existing Mitchell Lane and the circular road around University Avenue. Significant Transportation Demand Management (TDM) measures will be incorporated as a critical will be a critical feature in this project (see examples of dramatic Stanford reductions in vehicle trips in recent years) and mitigating traffic impacts will be a key requirement of the plan.

**2. What percentage of site users is expected to drive to this area, as compared to taking alternative modes of transportation?**

The master plan includes expanded Transportation Demand Management (TDM) elements for the project to promote the use of alternative transportation modes, such as transit and bicycling. While a large percentage of people will still drive, the anticipated total alternative mode shift for the project is estimated to range from 25-40%, reflecting transit use, walking and biking, and carpool use (based on data available from nearby Stanford University and the Stanford University Medical Center developments). The higher end of the range of alternative transportation usage is expected given the proximity to the transit center. In general, the closer



employees are to a transit station, the more likely they are to take transit. Several large office users in the Palo Alto-Mountain View area are now reporting alternative mode use of 30-40% for their employees, with integrated TDM programs.

**3. How much parking will be provided? Will the project be “fully parked”?**

The master plan concept includes three levels of underground parking accommodating more than 850-900 automobiles. Additional surface and drop-off parking adjacent to the theater for performances is also proposed. The project is expected to meet the parking requirements set for in the Municipal Code, and in fact, may exceed the required parking requirements. In addition, aggressive Transportation Demand Management requirements would be placed on the project in order to reduce the demand for parking spaces by increasing alternative transportation use. Given the proximity to the transit center, it is expected that a higher percentage of commuters will use transit, especially if given incentives (for example, free transit passes). Unused spaces could potentially be used by surrounding downtown uses through negotiations with the developer.

**4. Most Palo Alto residents do not use transit. How would an expanded transit center benefit the Palo Alto majority who drive to work and shop?**

Thousands of people use the Palo Alto Transit Center every day. In fact, Caltrain use in Palo Alto has expanded by 15% over the past year and will continue to expand over the coming decades. If the Palo Alto station cannot accommodate demand, local roadways will be further impacted, as the percentage of people driving will increase. This would result in longer wait times on roadways and stoplights. The traffic study that will be required for this project will estimate the number of car trips and vehicle miles travelled that will be reduced because of transit. Staff expects, however (and the traffic study will evaluate), that improvements to the transit center will enhance transit use not only for trips to and from the project site, but also to many trips unrelated to the development proposal.

**E. Transit, Bicycle and Pedestrian Opportunities and Impacts**

---

**1. How many daily riders utilize Caltrain, bus transfers, and Marguerite at the Downtown Palo Alto multimodal station?**

The University Avenue Caltrain station has the highest volume of any stop on the Caltrain line, with the exception of the terminus in San Francisco. Over 4,600 Caltrain riders board or unload from the station on an average weekday, a 15% increase over the past year (Source: February 2012 Caltrain Annual Passenger Counts). Over 2,500 Marguerite riders use the station on an average weekday, providing connections with Caltrain and other public transit facilities such as the Valley Transportation Authority (VTA) and Samtrans.

**2. What is the growth capacity of the transit services at the Downtown Palo Alto multimodal station in the short-term and long-term?**

The existing VTA transit mall and University Loop is not sufficient to meet current transit demand. This Master Plan expands existing capacity from 21 bus stops and layovers to 32 stops and layovers. This provides 12 for Marguerite shuttles and 20 for the transit agencies, per Stanford, VTA and Samtrans requests for near-term capacity. Long-term, additional bus capacity can be accommodated along Urban Lane with bus stops and layovers extending adjacent to the Caltrain tracks.

**3. What is the expected cost for building out the transit center without the Arts and Innovation projects?**

The March 2007 Multi-Modal Transit Station Project Implementation Plan estimated the cost to produce the solution identified in that report as \$281 million dollars. The concept of the transit center is significantly different from the 2007 version, however. The estimated cost of this new effort apart from the rest of the development is not known at this time but is expected to be significantly less.

**4. What options are available for providing enhanced bicycle and pedestrian opportunities through the site?**

The master plan is intended to improve bicycle and pedestrian connectivity between the Stanford Shopping Center and Downtown Palo Alto by providing new continuous sidewalk connections, trail elements, and an expanded tunnel between the project site and Downtown. The trails could provide for off-street bicycle and pedestrian facilities along with share-the-road treatments. The master plan proposes a new pedestrian and bicycle underpass under the Caltrain tracks at Lytton Avenue. The plan anticipates a wider tunnel than the existing cross platform tunnel to improve accessibility under the tracks. Continuity of the bicycle lane through the transit center area of the concept plan was identified as an issue at the September 24, 2012 City Council meeting. Connection of the bike trail to the trail that runs from the Homer tunnel to Palo Alto High School and to the bike trail that heads west up Sand Hill Road at El Camino Real is included in the revised master plan. This opportunity has been studied further and will be presented again to the City Council at its December 3, 2012 meeting.

**F. Economic Benefits**

---

**1. How would the Plan/project affect the City's property tax base from increased assessments for the extensive office use?**

Several impacts to revenues are anticipated if the concepts outlined become an actual project. The improvements to the site would generate approximately \$100,000-\$150,000 annually to the City in additional property tax. If the project proceeds, an economic impact analysis would accompany the Environmental Impact Report (EIR) to sharpen these estimates and to include an estimate for Utility Users Tax and multipliers such as transient-occupancy tax and additional sales tax generated by theater patrons, employees, and transit users. Such a study would also calculate the increased costs related to City services needed to serve the project.

**2. What benefits might be realized based on economic multipliers received from theater patrons? What economic impact could this project have on the surrounding area?**

According to a recent national study by Americans for the Arts, "the typical arts attendee spends \$27.79 per person, per event (not including the cost of admission) on items such as meals, parking, shopping, and babysitters." A more local-specific multiplier would be calculated as part of an economic impact analysis. By making the space attractive for users, a unique connection can be made between Downtown, Stanford and the Shopping Center. The creation of such a space can benefit the City in several ways. Employees populating the offices and theater at the Arts & Innovation District would vitalize the space through their regular daytime presence. Events and performances will bring the nighttime visitors. They all have the potential to become consumers for the products and services offered by the ground floor uses, as well as to the Downtown and Stanford Shopping Center. Given the proximity to transit, there are most likely

less impacts (e.g., traffic, parking) necessary to create benefits for the City (e.g., additional vitality and tax revenues).

**3. What is the potential tax revenue benefit for retail uses on the site?**

Based on rough estimates compiled using data from nearby retail, staff estimates that sales tax from 23,000 square feet of gross retail space could generate between \$80,000-\$100,000 per year for the City.

**4. What are the philanthropic and not-for-profit aspects of the proposal?**

The theater would be constructed to accommodate a non-profit theater company, a major benefit to the City and the regional community, and the Plaza would become public property. While the theater would be in use by TheatreWorks for many days during the year, their model also includes important educational programming and opportunities for other uses of the theater. In addition, the space freed up at Lucie Stern Community Center, if TheatreWorks moves to this site, could provide valuable space for performances and other uses at Lucie Stern for other educational, arts, and recreational users. The Theater could cost as much as \$100 million. The lease revenues from the office buildings would be dedicated to Stanford University, in Mr. Arrillaga's initial proposal.

**5. How would the project be leveraged for enhanced investment in the transit center?**

The project design offers several opportunities to make significant improvements to the transit center capacity and flow, and to pedestrian/ bicycle network and connections envisioned as part of the project and part of the Stanford University Medical Center commitment.

**G. El Camino Park**

---

**1. What is the history of El Camino Park? What efforts have been made to integrate the park with the theater plaza and project?**

El Camino Park is Palo Alto's oldest park and was established in 1914, when City leaders wanted an open and attractive entryway into town at the southern gateway of El Camino Real. The park is on Stanford property. Palo Alto signed a lease with the University in 1915 and to this day continues to lease the land from Stanford. (Source: City of Palo Alto website at: <http://archive.cityofpaloalto.org/depts/csd/news/details.asp?NewsID=105&TargetID=14>)

The City passed a Parkland ordinance that resulted in the current boundaries of the park. Approximately a half acre area of this parkland is configured in a narrow area (landscape strip) that stretches south along El Camino Real and has not been used for park uses for the past 98 years. As part of the presentation to the City Council on September 24, 2012, the reconfiguration of the narrow area was proposed to allow office functions to reside in that area and better utilize the resulting consolidated parkland area. The theater is proposed to encroach into the Park area, but is considered compatible with the parkland. At the September 24, 2012 City Council meeting, the Council directed staff to identify possible synergies between the 27 University Master Plan concepts and the plans for the renovation and improvement of El Camino Park. The possible integration concepts will be presented to the Parks and Recreation Commission on November 27, 2012, and the City Council on December 3, 2012.

**2. Why is a modification to the Parkland Dedication Ordinance required?**

A portion of El Camino Park would be “undedicated” to accommodate the driveway access from Quarry Road across the landscape strip and barren land, and the landscape strip will now be incorporated into the office project. Neither of those areas currently provides recreational or cultural opportunities, and the theater and plaza areas would more than compensate for the lost area.

**H. Review and Approval Process, Community Input and Public Vote**

---

**1. What approval steps will be involved with the plan and project? How and when will environmental review take place?**

The plan and project will require, at a minimum, the following reviews and approvals:

- Public vote on the project/plan concept (advisory) and the parkland “undedication”
- Environmental Impact Report (EIR) to be prepared if the project proceeds following the vote, which will require public review, recommendation by the Planning and Transportation Commission, and City Council
- Rezoning of the site to the Arts & Innovation District, requiring public review, recommendations from various boards and commissions, and the Planning and Transportation Commission, prior to final action by the City Council
- Design review by the Architectural Review Board, prior to zoning review and approval by the Planning and Transportation Commission and City Council

**2. Why would this plan have a public vote?**

An advisory vote would gauge the community's support for this significant project, prior to more detailed analysis and architecture. This is a large and complex project that will require departures from existing land use policy, and Council and staff acknowledge the need to solicit community input through the vote, formalizing community participation well beyond the various meetings and review sessions that must occur. The advisory vote will help the Council and other stakeholders determine whether or not the community perceives that the public benefits from the potential project would outweigh the resulting land use impacts.

**3. How is input from the community being gathered for this plan?**

A number of public meetings have been held to review and provide input on the master plan concept:

- City Council Meeting – April 9, 2012
- City Council Meeting – September 24, 2012
- Joint ARB/PTC Meeting – October 24, 2012
- PTC Meeting – October 24, 2012
- ARB Meeting – November 1, 2012
- Parks and Recreation Commission Meeting – November 27, 2012
- Historic Resources Board Meeting – December 5, 2012

These are all preliminary meetings. The City Council will meet on December 3, 2012, to consider the evolving master plan concepts, developed in response to public meetings thus far. An extensive community outreach process will continue prior to the public vote in June 2013 (if Council determines that date is appropriate) and substantial further community input and board

and commission review would follow (as outlined in #1 above) if the Council moves forward after the advisory vote.

**4. What would the public be voting on?**

The public would be asked to consider whether the City Council should: (1) initiate a change in the Comprehensive Plan and Zoning Code to facilitate the potential project and (2) exchange the unused "panhandle" portion of El Camino Park for more usable portion of adjacent land to facilitate better site planning for the potential project. An advisory vote is not binding on the City Council, but the Council will consider the results before taking major actions.

**5. If the public votes yes on this project, would it be automatically approved?**

No. In addition to the public vote, there will be community meetings, workshops and public hearings in front of boards, commissions and the Council. In addition, a full scale environmental impact report and associated entitlements will need to be examined and scheduled for public hearings. The vote would simply advise the Council whether the community wishes to proceed with the formal review process.