TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER
DEPARTMENT: PLANNING AND COMMUNITY ENVIRONMENT
DATE: AUGUST 8, 2005
CMR: 352:05

SUBJECT: ANNUAL PUBLIC REVIEW OF COMPLIANCE OF DEVELOPMENT AGREEMENT WITH STANFORD UNIVERSITY FOR THE SAND HILL CORRIDOR PROJECTS

This is an information report and no Council action is required.

RECOMMENDATION
Staff recommends that the City Council:

1. Find that Stanford University has complied in good faith with the terms and conditions of the development agreement.

2. Direct staff to issue a Certificate of Compliance to the University, according to the provision of Section 10(a) of the Agreement, stating that:
   a. The Agreement remains in effect, and
   b. Stanford University is not in default.

BACKGROUND
In June 1997, the City Council approved Comprehensive Plan amendments, zoning changes and design applications for the Sand Hill Corridor Projects (Projects). The Projects include the Stanford West Apartments (Apartments), Senior Housing, Shopping Center modifications and a set of roadway modifications, including the widening of Sand Hill Road to four lanes from Santa Cruz Avenue to Arboretum Road and a two-lane extension from Arboretum Road to El Camino Real. A development agreement vesting these approvals was entered into between Stanford and the City and was effective on August 14, 1997. The development agreement requires annual City Council review of Stanford’s compliance.

DISCUSSION
The attached July 8, 2005 memo from Stanford Management Company describes Stanford’s 2003-04 activities related to implementation of the development agreement. These activities include

- Annual detailed BMR report submitted to Palo Alto Housing Corporation monitoring the 63 currently leased BMR units in the Stanford West Apartment Development.
• Continued restoration of grasslands in conformance with the Native Grassland Restoration Monitoring Report progressing toward development of a native grassland meadow.

• Continued operation of the on-site retail store at the Stanford West Apartments; Stanford is subsidizing the store to offset the on-going loss from operations.

• Substantial progress in the construction of the Classic Residence by Hyatt; residents are expected to begin occupancy in mid-June 2005.

• Commencement of the construction on the final segment of the Sand Hill Road Improvements after approvals from the City of Menlo Park (November 12, 2002) and the County of San Mateo (June 10, 2003); expected to be completed by December 2005.

The following changes occurred at the Stanford Shopping Center in 2003/2004:

• City of Palo Alto consented on November 17, 2003 to the Assignment and Assumption Agreement between Stanford University and the Simon Property Group for a 51-year lease of the Stanford Shopping Center.

**RESOURCE IMPACT**

None.

**POLICY IMPLICATIONS**

This report does not represent any changes to existing City policies.

**ENVIRONMENTAL REVIEW**

Issuance of the Certificate of Compliance and consent to an Assignment and Assumption Agreement are not projects under the California Environmental Quality Act, and no environmental assessment is required.
ATTACHMENTS
1. July 8, 2005 memo from Jim Inglis

PREPARED BY:  _______________________________________
Roland A. Rivera
Planner

DEPARTMENT HEAD REVIEW:  ________________________________
STEVE EMSLIE
Director of Planning and Community Environment

CITY MANAGER APPROVAL:  _____________________________________
EMILY HARRISON
Assistant City Manager

cc: Stanford Management Company (Jim Inglis)
    Stanford University (Larry Horton)
    City of Menlo Park (David Boesch)
    County of Santa Clara (Ann Draper)
    County of San Mateo (Gaye Quinn)
    David Newman
    Charles Carter
    Bill Phillips
    Jean Snider