TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: PLANNING AND COMMUNITY ENVIRONMENT

DATE: OCTOBER 6, 2008 CMR: 388:08

REPORT TYPE: CONSENT CALENDAR

SUBJECT: Adoption of a Resolution Requesting the Santa Clara County Local Agency Formation Commission (LAFCO) Approve a Reorganization Consisting of Detachment of the Land Known as the “Former Los Altos Sewage Treatment Plant Site” (1237 San Antonio Road) from the City of Los Altos and Annexation of the Site to the City of Palo Alto and Authorization for the City Manager to Execute and Submit the Annexation Application to LAFCO

RECOMMENDATION

Staff recommends that the City Council:

1. Adopt the attached resolution to requesting the Santa Clara County Local Agency Formation Commission (LAFCO) approve a reorganization consisting of detachment of the land known as the “Former Los Altos Sewage Treatment Plant Site” (LATP Site) at 1237 San Antonio Road (Assessors parcels 116-01-013 and 116-01-047) from the City of Los Altos and annexation of the site to the City of Palo Alto (ATTACHMENT A).

2. Authorize City Manager or designee to submit application materials to LAFCO to annex LATP site to the City of Palo Alto.

BACKGROUND

The LATP site is an approximately 13.62 acre site located at 1237 North San Antonio Road. It is divided into four areas. The northernmost piece, Area A, is undeveloped and currently consists of non-native grasslands on top of fill material and brackish marsh along the perimeter of a remnant slough channel, separated from Area B by a levee. Area B is the site of the former sewage treatment plant, which contains a vacant industrial structure, non-native grassland and six abandoned treatment ponds. Area C is primarily undeveloped, mostly non-native grassland. Area D is the Los Altos/Los Altos Hills pump station (ATTACHMENTS B and C).

From 1958 to 1972, the City of Los Altos operated a sewage treatment plant on the site. In 1972, the plant was closed and some of the buildings were removed. On August 10, 1984, (CMR:146:84), Palo Alto and Los Altos entered into a lease/purchase agreement for the former LATP site. A component
of the agreement was the understanding that part of the site was deemed developable and part was to be dedicated for open space conservation. At that time, Palo Alto was interested in possibly developing a solid waste facility on the developable portion.

Between 1984 and 1991, Palo Alto made payments per the agreement and became the owner of an undivided half interest in the site. During that time period, the site was managed by Palo Alto and rented to various tenants including the Palo Alto Utilities Department who used it for a staging/storage area. Rental revenue was divided between the cities equally. By 1991, Palo Alto, Sunnyvale, and Mountain View had entered into a 30-year agreement to use the Sunnyvale Materials Recovery and Transfer Station (SMaRT Station) and the original idea of using the LATP site as a refuse transfer station was abandoned.

During the 1990s, Palo Alto explored other possible uses for the site including a proposal for a refuse operations facility, a household hazardous waste facility, and an equipment area at the site. Because the site was close to the San Francisco Bay and was found to have potential wetlands, the City engaged consultants to prepare a Jurisdictional Waters and Wetlands Report, an Environmental Impact Report (EIR), and a Conceptual Mitigation and Monitoring Plan.

Pre-Zoning
On March 6, 2000, (CMR:161:00) the Palo Alto City Council:
• Approved a land use designation change from Public Park to a combination of Public Conservation Land for approximately 8.96 acres and Major Institution Special Facilities for approximately 4.62 acres (ATTACHMENT D), and
• Approved a pre-zoning of the site to Public Facilities with a Site and Design combining district overlay, and
• Certified the Environmental Impact Report for the LATP Site Development Project.

Site Purchase and Recent City Actions
In late 2007, Palo Alto and Los Altos reached an agreement for the purchase of the site by Palo Alto and, on January 4, 2008, Palo Alto became the sole owner of the former LATP site. Currently, staff is working with consultants to develop a series of analyses of the site, including:

• In early 2008, the Public Works Department retained Jones & Stokes to assess the current status of the wetlands and to update the 1996 Jurisdictional Waters and Wetlands Report. The Army Corps recently completed its review and essentially confirmed the Jones & Stokes delineation.
• On August 4, 2008, Council approved a contract with Group 4 Architecture Research+Planning, Inc. for a feasibility study of potential uses including space needs and siting for a new Animal Services Building and a Recycling Center on the site.

DISCUSSION
The agency with the authority to review and approve the annexation is the Santa Clara County Local Agency Formation Commission (LAFCO) and staff is assembling an application to submit to LAFCO. The application materials will include the City of Los Altos’s 1998 resolution in support of
detachment (deannexation) from Los Altos, the City’s certified EIR, and a service plan summarizing how City services will be provided to the site. The application also requires a resolution from the City of Palo Alto requesting detachment from Los Altos and annexation to Palo Alto.

The proposed resolution to LAFCO is included as Attachment A. Upon approval, staff will submit the application package to LAFCO by October 8 and the hearing and approval by LAFCO is scheduled for December 3, 2008.

**POLICY IMPLICATIONS**
Annexation of the land known as the “Former Los Altos Sewage Treatment Plant Site” (LATP Site) is consistent with past Council action regarding the property.

**ENVIRONMENTAL REVIEW**
The Environmental Impact Report, LATP Site Development Project, which included the future annexation of the LATP Site to Palo Alto, was certified by the Council on March 6, 2000, (CMR:161:00). Future site development will require additional environmental assessment.

**RESOURCE IMPACTS:**
The LAFCO fee for processing the application for a “change of organization” is anticipated to be between $6,000 and $8,000. Funds are available from the City’s Capital Improvements Program (CIP) for the site.

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**ATTACHMENTS:**
A. Resolution  
B. Site Location Map  
C. Map Showing Areas A, B, C, & D  
D. Map Showing Land Use Designations approved by Council in 2000