Vice-Chair Lippert: We are back. Chair Tuma has recused himself on this item so he will not be participating. I will be Chairing this portion of the meeting. The item that we have before us is Stanford University Medical Center Facilities Renew and Replacement Project. A request by Stanford Hospitals and Clinics, Lucile Packard Children’s Hospital and Stanford University School of Medicine (Applicant) on behalf of the Board of Trustees for the Leland Stanford Junior University for review and recommendation to the City Council regarding amendment to the Comprehensive Plan and Zoning Code; approval of a Development Agreement and Conditional Use Permit; acceptance of Area Plan and other related entitlements to permit the Stanford University Medical Center Facilities Renewal and Replacement Project, including demolition of the existing Stanford Hospital and Clinics, construction of a new hospital building, renovation and expansion of the Lucile Packard Children’s Hospital, reconstruction of the School of Medicine facilities, and construction of new medical office buildings and parking structure, as well as the renovation of the Hoover Pavilion. Environmental Assessment: A Final Environmental Impact Report has been prepared. Zone District: Public Facilities and Medical Office/Research. With that I am going to ask Director Williams to make some opening remarks.

Public Hearing:

2. *Stanford University Medical Center Facilities Renewal and Replacement Project:* Request by Stanford Hospitals and Clinics, Lucile Packard Children’s Hospital and Stanford University School of Medicine (Applicant) on behalf of the Board of Trustees for the Leland Stanford Junior University for review and recommendation to the City Council regarding amendment to the Comprehensive Plan and Zoning Code; approval of a Development Agreement and Conditional Use Permit; acceptance of Area Plan and other related entitlements to permit the Stanford University Medical Center (SUMC) Facilities Renewal and Replacement Project, including demolition of the existing Stanford Hospital and Clinics (SHC), construction of new hospital buildings, renovation and expansion of the Lucile Packard Children’s Hospital (LPCH), reconstruction of the School of Medicine (SoM) facilities, and construction of new medical office buildings and parking structure, as well as the renovation of the Hoover Pavilion. Environmental Assessment: A Final Environmental Impact Report has been prepared. Zone District: Public Facilities (PF) and Medical Office/Research (MOR).

Mr. Curtis Williams, Director of Planning and Community Environment: Thank you, Vice Chair Lippert and Commissioners. I am Curtis Williams, the Director of Planning and Community Environment. We are here tonight on a very substantial matter and happy to bring this project to you for review of the various entitlements and approvals associated with the Stanford University Medical Center project.
We are going to have an overview by Steven Turner of the project. We have also invited Steve Emslie, our Deputy City Manager, to talk to you a little bit about the Development Agreement in particular, which is one of the components of this, but a very key item here.

I did want to note that we recognize that this is a lot of information that is before you tonight, a lot of different parts of it. I know it is going to take your serious deliberation to get through it, but that we have reserved next week, Wednesday the 18th, also as a carryover to allow you to complete your deliberations on that night. So with that I think I will ask Steve to make some initial comments particularly focused on the Development Agreement. Then we will go to Steven and Steven can outline the rest of the evening for you.

Mr. Steven Emslie, Deputy City Manager: Thank you, Curtis for the introduction. It is a pleasure to be here with the Planning and Transportation Commission. Really appreciate the opportunity to be able to give you a very brief summary of the major highlights of the community benefits contained in the Development Agreement. As you know, and as you have seen, the Development Agreement is a very comprehensive document that addresses the broad range of land use issues and confers long-term vesting of rights to the project. In exchange for that the City is able to negotiate benefits above and beyond that which would be normally required as project mitigation for the particular project. It is a common tool recognized by California law for this very express purpose. It is a mutual agreement because it confers certainty to the applicant over a long period of time, and it allows the City to negotiate in exchange for that certainty of benefits that can accrue to the community at large that are above and beyond those of project mitigation.

So just to quickly summarize where we are with the process. The City Council, as the Commission is aware, as well as you have has had several Study Sessions and check-ins over the course of the last several years as the project has wound its way through the process. the most recent events have been Council’s referral to its two standing committees the Policy and Services and Finance Committee essentially the Development Agreement for feedback to the Council later this, which is now currently scheduled for June 6 when the Council will consider its final consideration of the land use entitlements and the Development Agreement.

The two committees, Finance and Policy and Services, had a chance for them to provide feedback to Staff and the applicant, generally finding many of the terms acceptable and quite beneficial to the City. There was quite a bit of attention paid to the revenue neutrality aspect of the project. It was a principle that the negotiation team used to guide our discussions throughout the negotiation period is that the project needed to be cost neutral to the City, meaning that the project would generate sufficient revenues to offset the cost of services over the long-term life of the project. Multiple economic studies and analyses were done and it was found that there was a gap between the two, the revenues and the services required over the long-term of the project. Fortunately, we were able to negotiate successfully an agreement that meets that gap through rearranging some of the community benefits in the healthcare area. We were able to sequester sufficient funds to provide the accrual of revenues that would serve to meet the gap. In addition to having money set aside that would accrue to meet our expected revenue gap there is also a commitment on the part of the hospitals to ensure that if we happen to miscalculate or conditions change that they will make up that gap so the City is very comfortable that we have provided the
maximum amount of certainty that the project will stand on its own and continue to be revenue neutral to the City throughout the life of the project. So that was really the last major issue that was present, a draft agreement was presented to the Policy and Services Committee several weeks ago, and was met with very favorable results from the Council Members on that Committee. The Committee did go forth and recommend to the full Council, as did the Finance Committee, which did make a caveat that the cost neutrality agreement be put in place, recommend to the City Council. So those two committees will be making a positive recommendation to Council on June 6 when this comes before the full Council.

So just very quickly, just to review the specifics of the benefit. First is the healthcare. This is money that would be set aside for the revenue gap. Once that period is cleared it would be available for the community at large. This money provides services that are not currently provided to their enhanced medical services, at home patient care, things that are not normally provided by a hospital to those that are unable to afford those on their own. So it is an additive amount of services that would go to Palo Alto residents that could not pay for that otherwise because of their income levels.

In terms of traffic there is an extensive TDM being offered. There are new shuttles to handle the increased number of commuter trips from our train stations. The major item of the TDM program is the provision of the GO Pass, which as you know is the transit pass for Caltrain, which is the largest travel mode to and from the university and hospitals currently. The largest percentage of non-single passenger vehicle riders use Caltrain. So this is a benefit that is not currently provided to the hospital employees as it is to the university employees, and this would be extended over the 51-year life of the project. Additional TDM coordinator, we are enhancing the East Bay transit service, the U-Line, which is currently operating close to capacity. We need to add bus capacity for that line, and also for Park and Ride facilities in the East Bay.

May I have the next slide, please? In the Linkages category there is significant money, $2.25 million, to enhance the bike and pedestrian connections between the city Downtown and the hospital primarily through the El Camino Park transit area, Red Cross area, which by all accounts is a fairly adverse pedestrian or bike environment now. So $2.25 million is set aside to enhance those connections and several other critical connections are included in that.

In terms of housing there is a required housing impact fee that is required for the non-hospital parts of the project. As the Commission is aware, the hospitals are exempt from the City’s housing impact fee but there are portions of this project that are not hospital related that would be subject to a $1.7 million fee.

There is a substantial contribution above and beyond the required fee of $21.0 million that is put aside in a broader category where the City has broad discretion to use and apply that $21.0 million to a broad range of community building projects. Housing being one of them, sustainable communities and neighborhood development in terms of enhancing the amenities that contribute to the strength of our community and maintain it as a highly desirable and quality community that would serve the community at large as well as hospital employees. So there is a total of housing and neighborhood sustainability program money of $23.0 million.
There is additional set aside of funds for climate change and sustainable programs, and that is $12.0 million. This again is a broadly cast category that enables the City at its sole discretion to allocate that money to projects that would serve to reduce our carbon footprint, to reduce the production of greenhouse gases, alternative transportation system, bicycle facilities are likely candidates for this type of project. The City will have an opportunity to be able to prioritize and allocate this over the course of the project.

I already discussed the cost neutrality and this is essentially the detail of that. The bottom line for us is that the gap between the revenue and the services as calculated by the City’s own consultant will be made up, and if that does not occur through factors that we cannot anticipate at this point, the agreement does assure the City that that will be made up by the hospitals and the university. So we are very excited to say that we have I believe a very progressive and aggressive package of assets and resources that will enable the City to continue to enhance and provide the kinds of amenities that contribute to our quality of life and ensure that we remain a strong community that supports all of the interests in our community.

So just a very brief summary, and I will be available. I would also mention that Cara Silver was key as a negotiator on our team, our legal expert. So she is very well versed and has worked very closely with the university and the medical center’s attorney and can answer more detailed questions when they come up I am sure later on. So with that I will conclude.

Vice-Chair Lippert: Thank you very much Deputy City Manager Emslie.

With that I just quickly want to rundown the process that we are going to follow this evening so the public is aware. We are going to have a presentation by Steven Turner. He is the Advance Planning Manager and he is going to give an overview of the Staff recommendations, and the work, and the next steps. Following that we will have one round of Commissioner questions on process only. We are not going to discuss content to begin with. We are going to go through and they can question how we have arrived, and we went through this process because Steve is going to be talking about that as a part of this first presentation.

Then with that we are going to have representatives from both the Architectural Review Board and Historic Resources Board that basically are going to briefly report their respective Board’s actions, followed by representatives of Stanford University Medical Center. They will make their presentation and they will have up to 15 minutes to address specific items in the report, and what their thoughts are. Then with that we will return and we will then have the public hearing. The reason I point that out is I would like members of the public, if you wish to speak you need to fill out a speaker card. Depending on how many speakers we have we will then decide how many minutes we are going to be giving the public per person. With that Steven, if you wouldn’t mind first, and I won’t dock you time wise, but will you please introduce the members of your team who are here this evening who are available to answer Commissioner questions.

Mr. Turner: Absolutely, Chair Lippert. It would be a pleasure to do so. On behalf of the City, City Staff is very excited to be able to present this project to you at this stage. It involved a lot of work by a lot of people over the past four years, and a lot of those people are in the room tonight. Those folks who are available to answer questions include Director Curtis Williams, Cara Silver
from the City Attorney’s Office, as well as members of the City’s team that helped analyze this project namely Whitney McNair, our Project Management Consultant from Metropolitan Group, Rick Jarvis, who has been our consulting attorney on the project. We also have Bruce Fukuji, who did a lot of the urban design peer review for the project, is available here tonight. We also have Rod Jeung from Atkin’s Group the firm that prepared the EIR for the City. I am trying to see who else is in the audience here tonight. Ruckica from Metropolitan Group is also here to help answer questions.

So with that I will go ahead into the Staff recommendation for this evening. You can follow along up on the screen or with your handout. As you have seen in the Staff Report Staff has categorized our recommendations tonight into four different categories to help your review go along. So with that we will start with the California Environmental Quality Act category. Staff is recommending certification of the Final EIR and approval of the mitigation, monitoring, and reporting plan. We are also recommending the adoption of a resolution containing CEQA Findings and Statement of Overriding Considerations. In the Land Use category Staff is recommending approval of a resolution adopting changes to the Comprehensive Plan and changes to the Comprehensive Plan Land Use Map, also the adoption of an ordinance amending the Municipal Code to establish a new Hospital Zone District, and amending the Sign Code and Tree Code to be consistent with the Hospital Zone regulations.

Under entitlements Staff is recommending adoption of an ordinance approving the Development Agreement between the City of Palo Alto and applicant, as well as adoption of a Record of Land Use Action approving a Conditional Use Permit for the various uses on the site.

Then finally in the Administrative category the adoption of a resolution annexing approximately a .65-acre site from Santa Clara County to Palo Alto, acceptance of the SUMC Area Plan Update, and then finally the Commission’s review of ARB findings and HRB comments, and forwarding those comments to the City Council.

Before I get into more of an overview of the project I just want to highlight some of the Staff accomplishments that we have been able to complete over the period of review. Most significantly the Draft EIR was really a driver in terms of the overall timeline and review period and schedule. As you know we went through an exhaustive public review period, as well as a period where we responded to all of the comments that we received during the public hearings that we held last year on the EIR. We have also conducted a hospital peer review by Marlene Burkhoff. She was the professional that helped review Stanford’s requests for expansion and rehabilitation of the hospital facilities. Her determination was that Stanford is in compliance with other hospitals and new hospital programs that are being developed throughout the country. We also conducted, as you have heard from Steve Emslie, a thorough negotiation process for the Development Agreement. We were able at the end to resolve all the issues that came up between the two negotiating groups. We went through, as you will see, a very exhaustive architectural review process with Historic Resources Board input. Key to that review was the analysis performed by our urban design consultant, Bruce Fukuji, and his memos to the Board are contained in your electronic attachments to the Staff Report.
We also developed the project over the number of years to facilitate tree preservation. A very major change that has happened since the beginning of the project was the development of the Tree Preservation Alternative, and having that project as now the preferred project. There were a lot of benefits with regards to adopting that particular plan that I will go into in just a moment.

Some of the details on the Staff efforts were in a way very surprising to me when I saw the numbers, but when I look at over the past four years of the project review it is not too surprising that we have had a total of 95 public hearings regarding this project. We have been to the City Council and Planning and Transportation Commission a number of times as well as of course our work with the Architectural Review Board, and the Historic Resources Board. We have also met with our neighbors in Menlo Park and in East Palo Alto and in Portola Valley to give them updates about the project. We, as I mentioned, have conducted extensive analysis both with the ARB, HRB, Planning and Transportation Commission, City Council meetings, and again our urban design peer review by Bruce Fukuji and hospital peer review by Marlene Burkhoff.

Now getting into some of the details about the project itself. This is just going to be a very high-level overview, and I can provide some more details as we discuss each category. As I mentioned previously we prepared a Draft EIR to disclose the potential environment impacts of the projects. That review commenced in April of 2007, and we issued a Notice of Preparation in August of that year. Quite a bit of analysis went on between that time and the release of the Draft EIR on May 20 of 2010. We conducted, as you will remember, a very extensive public review process. It was 69 days ending on July 27, 2010. We held a total of 13 public hearings with the Planning and Transportation Commission, the City Council, one with the Architectural Review Board, and one with the Historic Resources Board. Through that process we collected over 1,000 individual comments on the Draft EIR from members of the public, Commissioners, Council Members, Members of the ARB and HRB.

As part of the review and preparation of the Final EIR we of course came to the conclusion that there were a number of impacts that could not be mitigated to a less than significant impact. Therefore, in order to certify the EIR a Statement of Overriding Considerations is required to be adopted and approved by Council. The Commission previously reviewed the Final EIR at two meetings in March. However, at that time we did not have the Statement of Overriding Considerations prepared at that time. That has now been prepared and is contained in the CEQA resolution in your Staff Report. The Statement of Overriding Considerations really includes two categories of benefits from the amenities of the project that would constitute the overriding considerations. There are the amenities of the project itself as a world-class hospital facility and all of the amenities that go along with that. In addition to the community benefits and other payments that have been negotiated as part of the Development Agreement for the project that Deputy City Manager, Steve Emslie just alluded to as well. So both of those categories of benefits really constitute the Statement of Overriding Considerations that even though this project would have impacts that could not be mitigated to a less than significant impact the benefits that come as a result of this project really override those significant impacts.

Moving onto the Comprehensive Plan Amendments, these amendments are required to result in changes to the Comprehensive Plan Land Use Map and to modify language to specific policies and programs that relate to the project. We would need as part of this project to change the land
use designation at 701 and 703 Welch Road. Those are the parcels right at the corner of Welch and Quarry Road that contain medical office buildings. Those would be changed in land use to more medical types of land uses. We would also be annexing a .65-acre property within Santa Clara County jurisdiction and would need to apply a land use designation to that site. We are also looking to modify text that is associated with Program L3 regarding height, and clarification of Policy L8 with regard to growth and land use and floor area at the planning area where the hospital is located.

Moving on, we are also implementing or requesting adoption of a Hospital District Ordinance. This would essentially create a brand new zoning district for the project area that would right now be titled Hospital District, with the abbreviation of HD. This new zoning ordinance would include medical and educational uses serving the Stanford Hospital and Clinics and the Children’s Hospital. A lot of those medical uses are conditional uses and that is why a Conditional Use Permit is required for the project. As I mentioned before, the overall uses including medical office, research, clinic, and administrative facilities would also be uses that would be allowed within this district, as well as hospital, clinic, and medical offices at the School of Medicine buildings.

The Development Agreement is next on the list. Steve Emslie went through that in detail and we will be able to discuss that with you as well. Again, it is a 30-year Development Agreement that has been negotiated really for the past year and a half or so. The primary community benefits that result from the Development Agreement include healthcare and fiscal traffic mitigation benefits, linkages in terms of funds that would be available to connect the hospitals, the shopping center, and the Palo Alto Intermodal Transit Station, infrastructure, sustainable neighborhoods and communities, affordable housing benefits, and monies paid to help the City with its climate change programs. We had an update with the City Council in January of this year and presented a detailed plan for the Development Agreement to the Finance Committee and Policy and Services Committee in March and April of this year. Steve also went into some of the fiscal benefits that would be provided as part of the Development Agreement. Again, payment of $2.42 million to address projected deficits of the project as projected by our fiscal consultants. That Stanford would obtain a use tax direct payment permit that would result in $750,000 over the life of the project, and that Stanford would guarantee that the City would receive no less than $8.1 million in construction use tax revenues. All of that is really to create a project that the intent is to be essentially a cost neutral project. We went into this with the understanding from both the Planning and Transportation Commission and the City Council that this project really should not cost the City any money going in. We feel that with our negotiations concluding that we have come to the point where we can say that we have a very good opportunity for that to happen.

Moving on, the Conditional Use Permit is also being requested for review. As per the HD Ordinance we have developed the specific land uses within the HD district would be conditional rather than permitted. Hospitals, medical office, medical research, ambulance, parking facilities, helipads, and helicopter uses are all conditional uses within the HD district and a Conditional Use Permit is required. The City is proposing to adopt a single Conditional Use Permit for the project. The CUP once approved will vest the uses for the term of the Development Agreement, but if it turns out that the Development Agreement is not approved the City may revoke the
Conditional Use Permit and the applicants would need to reapply for separate CUPs for each project component. We feel that provides a level of protection for the City in that if the terms of the Development Agreement and the benefits of the Development Agreement are not approved that the City still has control over the land uses within the HD district and can apply our own conditions of approval with regards to the development of the project. So the Conditional Use Permit is a very important part of the project.

Then kind of wrapping up with Annexation as part of the project, and in order to build the first School of Medicine Foundations in Medicine building number one the City would need to annex a small portion of land immediately adjacent to Governor’s Lane for the new School of Medicine FIM buildings. This would be annexed from Santa Clara County to the City of Palo Alto. Prior to the annexation the site would need to be pre-zoned to be consistent with the HD zoning as well as have a land use that is consistent with the main medical center site and the main medical center campus.

Moving on through to the Area Plan, as you will see in your materials that the City and Stanford have prepared an Area Plan Update. That update is required pursuant to the Comprehensive Plan Program L46. It is a guidance document for the City. It is not any sort of regulatory document that needs to be approved. So Staff is asking the Board to review the Area Plan and find it to be acceptable and to be consistent with the Comprehensive Plan. Really, the intent of the document is to provide an overview and context for the anticipated future development at the medical center campus. It was also really developed in conjunction with the Design Guidelines that have been prepared for the project, which have been reviewed by the Architectural Review Board. The two documents really will be helpful tools to Staff in the future as the projects are developed. We feel that both of those are important components as well as the project.

The Architectural Review and Historic Review also were concluded just recently. As we mentioned previously we have had a large number of Architectural Review Board Study Sessions, Preliminary Reviews, and final reviews that were conducted over the last three and a half years. The Architectural Review Board was really focused on the Architectural Review Findings that are contained in the Municipal Code as well as site-specific features such as site development and planning, which Bruce Fukuji provided a lot of very good input to the City and to the Board on. We looked at landscaping and open space, hardscape materials. We looked at the circulation in and around the buildings for automobiles, bicycles, and pedestrians. We looked at the massing of the buildings and their contextual relationships to other buildings in the area. We understand that with the additional height that is being requested at 130 feet plus the floor area that is being requested these buildings have the potential to really be very massive. So the Architectural Review Board and Staff really wanted to make sure that the massing was appropriate and that it contextually related to its surroundings. We also looked at the exterior materials and finishes, and also the energy conservation and green building features that were being proposed by the building.

Two of the more significant items that the Board reviewed were regarding the Tree Preservation Alternative, which is now the preferred project plan. That was really a key change to the project because it not only protected additional trees on the site but it also addressed the Architectural Review Board’s concerns regarding overall massing of the project. As a result of the Tree
Preservation Alternative one building module was removed from the Kaplan Lawn area where I think there are approximately nine very, very good and healthy oak trees. By removal of that module and incorporating the floor area into the main medical new hospital buildings we were able to keep that square open and retain those oak trees. We are able to constrict the site plan, make it more consolidated. In doing that we saved a significant oak tree along Welch Road. Through additional design review the applicants moved back the new parking garage from Welch Road. It was approximately ten feet in previous version. It is now I think close to 25 feet away. So throughout the Architectural Review process there really was a lot of work between the applicants, Staff and the Architectural Review Board to address a lot of the issues. At the end of it the Architectural Review Board felt that the projects could be approved and were consistent with the findings.

The Board was really also concentrating on the Visual Quality review of the projects. The Draft Environmental Impact Report found that the projects could have significant visual quality impacts due to the sheer size of the buildings and the height that was being proposed. As mitigation to those significant impacts a thorough Architectural Review process was required. It was determined in the EIR that if the Architectural Review findings could be made then the projects would have reduced the significant impacts to a less than significant level. So Staff was very careful to analyze those issues and relate those issues to the Architectural Review Board. Throughout really the review process of the buildings and the changes that were made the Board felt that essentially the visual quality impacts were appropriate and that the findings could be made, and therefore the visual quality impacts could be reduced to a less than significant level.

We also took specifically the Hoover Pavilion Renovation project to the Historic Resources Board for their comment. The Hoover Pavilion, although is an historic resources in terms of CEQA, it is not a building that is on the City’s Historic Inventory. The Historic Resources portion of the Municipal Code is very specific in that the Historic Resources Board can only really take action on buildings that are in the City’s Inventory.

However, we felt that the HRB’s comment would be very helpful to both the Planning Commission and the Council. So we took the Hoover Pavilion Renovations to them for their comment about the appropriateness of the plan to renovate Hoover Pavilion for medical office use. The HRB also looked at Hoover Pavilion in context with the new buildings that would surround it, most specifically the medical office building, which is the building that is in between the Hoover Pavilion and Quarry Road, and has the potential of blocking views.

Our historic consultant found that in fact the medical office building would block significant views of Hoover Pavilion and that it would not be consistent with two of the Secretary of the Interior’s Standards for historic preservation of that building. However, the historic consultant said overall the building retains sufficient integrity so that if it were to be added, or there was a request to add the building to the California Register that it would still have all of the attributes to be added in the future. So the Board commented on that and those comments are contained within your Staff Report.
As I mentioned previously there is an ARB resolution in your packet. It describes its consistency with the Architectural Review Findings. It also contains extensive Conditions of Approval that both the ARB and HRB recommended for the project. So you can review those for adequacy.

I wanted to just wrap up the project saying we have really done a lot of analysis on the project, but also I just wanted to bring it back to our overall kind of objectives of the project because are also very important as we review the project. We wanted to make sure and analyze to see whether or not the various objectives of both the applicant and the City could really be satisfied through this project. So the next two slides that I have, and I won’t really go through them in detail, highlight both the applicant’s objectives and the City’s objectives. Really on the applicant’s side they are looking of course to achieve compliance with the seismic requirements of Senate Bill 1953, as well as optimize the delivery of healthcare and services to patients, and do so in a way with the arrangement of buildings and open spaces and infrastructure to create a highly functional medical center environment. Then on the City side we wanted to make sure that we had a project that creates a more walkable, bikable, mixed use, transit oriented, and well connected urban environment. We wanted to encourage public and private upkeep and preservation of resources that historic merit. We wanted to promote sustainable development and green building design principles. We also shared the applicant’s objective about optimizing the delivery of healthcare and services to patients to meet regional needs for emergency and disaster preparedness. We feel that through this review over the past four years or so that we have been able to meet both the City’s and applicant’s objectives with regard to this project. I think that is one of the reasons why Staff is supportive of the project and very supportive of the recommendations that we are making to the Planning and Transportation Commission this evening.

So that really concludes our review. In terms of next steps of where we go from here once we get the Commission’s recommendation, as Steve Emslie mentioned, we have a City Council review scheduled for June 6 of this year. We would be forwarding your recommendation and any comments to the Council at that time.

At this point I would like to bring up members of the Historic Resources Board and Architectural Review Board.

Vice-Chair Lippert: Actually, we are going to go to a round of Commissioner questions on process first. When I say process, in the very beginning one of the first things we did was Staff developed a work plan. It was a bar graph and it actually showed a chart showing the steps we are going through here in this review. So when I say process we are not talking about tonight’s process here we are talking about the overall process and the work plan. So if any of the Commissioners have questions with regard to how we have gotten to this point this evening or any of the public hearings that have occurred or any of the Board reviews that have occurred, this is the time to raise those process questions. We have the consultants here as well to answer those questions if necessary. So with that we will start with Commissioner Garber and you have three minutes.

Commissioner Garber: Risking the ire of my Chairperson it is really a quick comment. There has been a tremendous amount of information that is in this particular packet that we got only
four days ago, and there are quite a number of new pieces of information that we have not seen before. So as we go through, as we are planning each one of these items, to the degree that you can call out things that have either changed or what is new, etc. because it is very difficult to try and tie back for instance the CEQA document is returned to us and it is hard to know exactly what has been changed in it that we should be paying attention to that we didn’t before. The Development Agreement is new. The Area Plan Update we have never seen before. There are lots of things.

Vice-Chair Lippert: Commissioner Keller.

Commissioner Keller: Yes. The first question is when we looked at the FEIR a month or two ago we had submitted a series of questions and I am not sure if all those questions were answered. I am wondering what the process is for dealing with those questions.

Mr. Turner: We feel that all of those questions have been answered. Those are contained in your Attachment 2 of the electronic attachments that are on the CD. So it contains the Staff Reports from both of those March meetings as well as the responses to the questions that were received at both of those meetings.

Commissioner Keller: Okay, thank you. I am not sure where this fits in terms of the process part, but it is kind of an overarching question. What happens after the 30 years of the Development Agreement and what happens after the 51 years of mitigation? I think those are sufficiently general that maybe it is helpful answering them now.

Vice-Chair Lippert: Actually, I think that when we get to the Development Agreement part we can talk about that. The process that we are going through tonight we are bifurcating, or we are actually taking each of the actions tonight as separate steps. Then as we review them and go through them, and we make recommendations we will actually have an opportunity at the end to make a final motion, and make any amendments or changes. So we will have a second chance to take a look at each of those steps later.

I really want to stick to what the work plan is here and the work that the consultants have done, and the work that Staff has done, and each of the Boards and how we have arrived here tonight.

Commissioner Keller: So if I can ask one other process question, I think that is what we are dealing with. Early on in the process there was a combination of the Stanford Shopping Center and Stanford Medical Center. The Stanford Shopping Center was removed from the proposal. Then we had the Stanford Medical Center proceed. What happens if sometime during the next 15, 20, or however long years that this construction goes on or the process goes on, what happens if the Stanford Shopping Center expansion is resurrected? What is the process there and how does it relate to this process of the medical center?

Mr. Williams: Well, at this point the actions being taken are of the medical center, and there have been certain cumulative anticipated developments associated with that with the EIR analysis. But of course it did not anticipate any level of development at the shopping center as was proposed before. If that does come in then that is going to have to be analyzed with a
scenario that includes the full build out of this project here, and then its impacts are going to be
considered in light of being on top of all of the hospital impacts and whatever other reasonably
foreseeable projects are online or coming on line at that point in time.

Commissioner Keller: So are also other project kinds of things that are expected in the city,
other kinds of growth, is that incorporated in this?

Mr. Williams: Yes, depending on the scenario. For the most part we are at this point using some
estimates of growth factors based on our modeling. On smaller projects we sometimes use
specific – something that is going to take a year to build out we will use specific projects that we
know are in the development pipeline. It would be a growth projection, regional as well as local.

Commissioner Keller: Thank you.

Vice-Chair Lippert: Commissioner Fineberg.

Commissioner Fineberg: I am a bit overwhelmed at this point with the massive amount of
information that we have been given four days to assimilate and review, and hopefully comment
on. There are even several pieces that were left at our places tonight one of them being the
memo from the City Attorney’s Office that we are seeing for the first time as the public hearing
started that we somehow need to read and digest while we are in the midst of a public hearing.
So I am personally, and without speaking for my other Commissioners, concerned that we
adequately be able to have the ability to comment with a level of thoroughness that does this
project justice. One of my concerns here on this dais is a great amount of my Staff Report is this
disc. I can read it when I am sitting at home, but I have no way of accessing any information
that is in it unless I print out my copies, or maybe ask another Commissioner to borrow a laptop.
I don’t have an iPad and I don’t have a laptop that can come here. We already know that one of
the CIP projects is to do some improvements here so there are electrical outlets so if people do
bring laptops they can be plugged in. So as a matter of process, I understand we are trying to
save paper, I understand it is part of our sustainability efforts, but handing me key documents in
a disc with no means to access them here doesn’t get us I think what we need in order to be able
to quickly and thoroughly review projects like this to the level that they demand. That’s it.
Thank you.

Mr. Turner: I just wanted to respond a little bit. Staff was very careful with regard to how our
approach to put together the package for Planning and Transportation Commission review. We
knew it was going to be a lot of information. So our thought process with regard to how to
present that to you was to make sure that we gave you the key documents in hardcopy form. So
that really is contained within your binder, all of the resolutions and ordinances, the
Development Agreement and those types of materials that you really need to take action. The
information that is contained on the disc is important but it is supplementary information to the
information that is contained within your binder. So although it is very important information
we wanted to focus you on the printed material in your binder as the items that you need to take
action on tonight. So we tried to find that balance of giving you what you need in a very easily
accessible format versus giving you two or three binders such as this for you to digest, which
would also be overwhelming.
We have also included all of the project plans and images and views on the CD as well. Providing all of the plans to you again would probably result in another two or three binders as big as this. So we tried to find that balance of how to provide you with the relevant information you needed without using an incredible amount of resources.

Vice-Chair Lippert: I think you misunderstand Commissioner Fineberg. The reason why we have the Council Review on June 6 is we are staying here until June 6. The reason they served us dinner tonight is that is to get us through. We have the opportunity to actually continue this item to next week. So my thought here is that we are going to get through as much of this as we can tonight and continue the item. We do have the opportunity to do a final wrap up and do amendments to whatever recommendations we make this evening. So don’t feel as though this is the only opportunity you will have to comment and make recommendations this evening.

Commissioner Martinez.

Commissioner Martinez: I feel the same way. I was kind of overwhelmed by this and the CIP. I was going to suggest that perhaps we pick two items and try to get through those tonight. I felt pretty comfortable with the Comprehensive Plan changes, and Zoning Ordinance changes. I would be happy if we could just have an in depth discussion about those but I would be open to any other two or three, but not try to see how far we can get.

Vice-Chair Lippert: Thank you very much. Commissioner Tanaka, do you have any questions? Okay. With that I think what we will do is go onto the representatives from the Architectural Review Board and Historic Resources Board. I believe we have Heather Young from the Architectural Review Board. Heather? Hi, how are doing this evening? If you wouldn’t mind, we will give you five minutes if you could just go through and summarize your Board’s recommendations and findings that would be great.

Ms. Heather Young, Architectural Review Board Member: It won’t even take five minutes, thank you. Good evening Commissioners. Steven has done an excellent job with his overview outlining the extensive interaction that we had with Steven and Stanford, and the architects for each of the different projects.

What they typically did is came in early for a Study Session to meet with us and identify any overarching issues of concern that we had, so they had opportunity to address them. It also gave us the opportunity to become more familiar with the issues for that particular project and site and have a chance to get more comfortable with the approach.

Of the projects the Architectural Review Board was able to make some fairly significant contributions I hope, particularly with some of the changes to the massing and to its preservation as trees as Steven indicated. The development of particularly pedestrian experience around the buildings and I think, I am hoping that Stanford and Mark have brought a presentation to share
with you that is an aerial experience as you move from building to building through the expanded campus.

You should also know that of the five ARB Members four of the members were able to participate in the process. One member was recused. All of the projects that have been brought before you were approved with minor conditions unanimously with the exception of one project, and that is the new garage addition at Hoover Pavilion. We had one Board Member who did not approve that, but the majority did approve it and the findings were consistent with our charge. With that said, if you have any specific questions I will be here to help you. Thank you.

Vice-Chair Lippert: We are going to hold the questions for the Architectural Review Board members until we review that specific section, which are the recommendations of the Architectural Review Board. We may or may not get to that this evening. One more thing, just so you know there is an architectural model in the back of the room of the project that I believe it would worth members of the public as well as members of the Commission taking a look at this evening at some point. With that I will introduce Beth Bunnenberg. Welcome Beth. Beth is the representative from the Historic Resources Board and she will share with us the discussions and deliberations of that body.

Ms. Beth Bunnenberg, Historic Resources Board Member: Good evening to the Planning and Transportation Commission. Tonight we have a very unique structure to look at. If you can get past the peeling paint and the air conditioners in every window the Hoover Pavilion is a stunning example of Art Deco architecture. It is visually stunning. It is large. It has repeated structures that are eye-catching even to this day. Now this Art Deco building was designed in the 1930s by Reed & Corlett and when it is rehabilitated it will become a major asset to the Stanford Campus both architecturally and medically.

So the HRB had certain comments and we concurred with the one redesign that was presented for the north façade, and that was to move some contemporary windows back three feet to get a little bit of shadowed void where there is a stairway now. We thought this looked like an appropriate way to handle that. Then the HRB looked particularly carefully at the material boards for glazing and glare reduction, and screening, and the materials appeared appropriate.

Now in terms of the EIR and CEQA, project changes need to be examined under the Secretary of the Interior’s Standards, and you heard that there were two standards that this project did not meet. They really had to do with the site and the visibility, and the change in the things that were around the building, a visual and spacial relationship. The Architectural Resources Group said that in summary the setting of the Hoover Tower would be substantially diminished by the construction of the medical office building, and that this made it noncompliant, but many of the other features are absolutely in line with the Secretary of the Interior’s Standards.

Now then we know that that medical office building is very important to Stanford, and the space is limited. So there are two ways to mitigate this kind of problem. One is to diminish the size of the medical office building, but that doesn’t meet Stanford’s need of their project. The other one is to increase the preservation of the historic building in a way that it would return it to a dominant position on that site. It has been that way forever, since the building was built it
dominated that site. So as we looked through things, you have up with you a plan that was
rediscovered for the finial that was on top of the Hoover Pavilion. For some unknown reason it
was taken down. To restore this finial would increase the height of the building, would increase
the visibility from many directions, probably would make the north façade windows less obvious
because you would look at this off-center star at the top of the building. So that was our
recommendation to the ARB and they included that as one of their conditions. So we will hope
that you see that as an appropriate condition to continue. Thank you very much.

Vice-Chair Lippert: Thank you very much, Beth. Thank you very much, Heather. With that we
will return to representatives from Stanford University Medical Center and they have 15 minutes
to make a presentation. I would appreciate it if you would also introduce the members of your
team. In doing so I will not doc you any time for doing that.

Mr. Michael Peterson, Vice President of Special Projects, Stanford Hospital and Clinics: Okay,
thank you. For purposes of the entitlement process I am representing both Stanford Hospital and
Clinics and Lucile Packard Children’s Hospital. Now let’s see who is here. We have a lot of
people over there. We have Bill Philips, who has been our lead negotiator and been working on
the project. We have our consultants for traffic, our legal consultants. We have Mark Tortorich
and members of his team in Design and Construction. We have our government relations staff
here as well from both hospitals. So without naming everyone by name that is who is here from
our staff. So we should be able to address the questions as they arise.

Now, we have a lot to cover tonight as you have already identified. We have presented many
times so my feeling is that I just simply want to acknowledge that we have come a long way.
This has been over four years. I feel at least we are at a point where we can see the end of a
process, and the beginning of the hard work, which is building, constructing quite a significant
project.

The amount of review that has taken place over the four years has been well described already. I
would say that it is a lot of review but then again this is a project that has such a significant
impact on the health, welfare and safety of this community and the surrounding communities so I
would say it does merit careful review, and I believe it has received careful review and it is not
over yet, but it has.

Now the other thing is in the past month we have addressed I think successfully a couple of
major concerns. The first one you heard, which is the issue around fiscal neutrality. It has gone
by several terms but what is it that we can do to ensure that there is not an inverse financial
impact to the community. I believe we have come up with a solution with the staff leadership
that will accomplish that. So I think that has been a major milestone in this process.

The second, which has not yet been discussed, is in some documents you have in front of you
was last night we did successfully reach conclusions with the City of Menlo Park and its
concerns. The City Council approved an approach four to zero, so it was unanimously approved.
We believe that is also a major step to getting us to a conclusion.
I just want to acknowledge the staff work of the City in getting us to this point. This has been a tremendous amount of work. We have worked hand in glove with them to bring everything to you tonight, and look forward to continued discussion. Thank you.

Vice-Chair Lippert: Thank you very much. At this point I will open the public hearing. This is the time when members of the public may speak to this project, and actually any part of the project, as well as the Staff recommendations as outlined in the Staff Report. Here I have seven cards. This is a very important project. I am going to give the members of the public each five minutes to speak. If there are wish to speak that have not submitted a card I would appreciate you doing so now. Fill one out and handing it to a Staff member and I will add you to the list. We will start with Nancy Peterson followed by Barbara Newton.

Ms. Nancy Peterson, Palo Alto: Good evening. I lived on Ashton Avenue for about 20 years. I just have three quick points that I would like to make this evening regarding the Stanford Medical Center Project application.

First of all I want to thank the Planning Department for being so open, thorough, and diligent. I was thinking this before I knew held about 100 meetings. So that is even more impressive.

Second, I want to thank Stanford Hospital and Clinics for being focused on what I consider to be the right outcomes but flexible enough to make adjustments that go beyond anything that I ever would have expected. I feel that Stanford’s vision, deep commitment, and patience over the past four years are going to benefit thousands of people well into the future.

Finally, I would like to encourage the Commission’s wholehearted support for the Staff recommendation to approve all of the elements of the project application. With your approval and approval next month by City Council we can look forward not to the end but to the beginning, as an unrelated Peterson just said. That is the beginning of construction of safer facilities in which our hometown hospitals will provide patients with best in the world, 21st Century healthcare. Thank you.

Vice-Chair Lippert: Thank you. Barbara Newton followed by Caren Chappell

Ms. Barbara Newton, Menlo Park: Good evening. I now live in Menlo Park but I used to live in Palo Alto. Over the past few years I have spoken often at Council meetings in both Palo Alto and Menlo Park. I have done this because I want to be sure that everyone realizes that this hospital is not just a Palo Alto project. Those of us who live in Menlo Park, East Palo Alto, Atherton, and Los Altos also want this to happen. We all want a seismically safe structure. We all want an updated facility. We all want an expanded and improved emergency room, and we all want this to happen as soon as possible.

I have read through the traffic mitigations and I really do believe that Stanford has offered a number of creative, helpful, and generous solutions. Palo Alto does have a serious traffic problem, but surely there must be a way to solve this problem without denying all the rest of us this much-needed medical center.
On a personal note, I live on Branner Drive just off of Sand Hill Road. At the time of the reconstruction of the intersection of Sand Hill Road and The Alameda all of us in my neighborhood were very concerned about how the project would go. We expected that our lives would be disrupted often and this wasn’t the case. The project was well planned, we were regularly informed of construction activities, and the improved intersection has made life easier for all of us. I certainly trust that the university will be as efficient as they construct this long overdue hospital. Please act promptly. Thank you.

Vice-Chair Lippert: Thank you very much. Caren Chappell followed by Larry Taylor

Ms. Caren Chappell, Palo Alto: I live in the south end of Palo Alto, which is possibly not as immediately affected by the construction, but we will all benefit from a hospital that doesn’t have a 15-hour wait in the emergency room because it is so over-crowded. We will all benefit from the change from multi-person patient rooms to single person patient rooms, even if we don’t absolutely have to have them.

This process has been going on what seems to me to be forever. Four years is a very long time. It has been analyzed, reanalyzed, modified, adjusted, and the City has had its hand out pretty much constantly. As far as I can tell all of their requests have been met one way or another, and it is time to stop dithering about and just make the decision. We need to do this. If we don’t do this there are seismic problems. If we have an earthquake and the hospital falls down we are all in trouble, even if we are not in the hospital at the time.

It is well delayed. This was supposed to be finished in a year and a half. I am not sure that is going to happen but at least we could get started. Thank you.

Vice-Chair Lippert: Thank you. Larry Taylor followed by Dick Freeman.

Mr. Larry Taylor, Palo Alto: Good evening. I live on High Street in Palo Alto. Aside from the comments made about the slow process to arrive at a decision about the hospitals I appreciate the expeditious process this evening to get me up to this podium in only an hour and 15 minutes, as opposed to some of the other times when I have been at the Council meetings and had to wait until ten-thirty or something like that before the public was invited to talk. Those were back in the Stanford West days.

So as a 63 year resident of Palo Alto I have had seen a lot of action over at the hospitals through my daughters birth, my wife’s brain hemorrhage, and lately dealing with cancer. I regard the hospitals as the crown jewel of this region. Its enhancement to keep up with the times and to become more effective will only contribute to the world-class reputation that this region has deservedly earned.

I want to compliment the Staff for a comprehensive review of the project and to the Commission in its review of it as well. I want to compliment the hospitals for their generous community benefit package, and hopefully at days end when everything has been said and done that this project will receive your approval. Thank you.
Vice-Chair Lippert: Thank you very much. Dick Freeman followed by Mark Lawrence.

Mr. Dick Freeman, Palo Alto: Good evening and thank you for the opportunity to speak with you. I live on East Meadow in the Mitchell Park area. I have been living in Palo Alto since 1932 and I have a child who was born in the Hoover Pavilion so I have been here a long time. I would like to express some thoughts that come from many people with whom I speak.

This medical center is very important to those of us and especially to my family as we have used it many times. The combination of town, gown, and the medical excellence make this the community in which we all love to live. I think Stanford has gone the extra mile and you people have done your work in making this an open forum for all of us to express our opinions. So I hope the Commission goes forward with this plan soon. Thank you.

Vice-Chair Lippert: Thank you very much. Mark Lawrence followed by Robert Moss. I don’t have any speaker cards after Mr. Moss. So if anyone else wishes to speak please get your card in.

Mr. Mark Lawrence, Palo Alto: Good evening. I live on Marion Avenue in Palo Alto. I have been following this project for a few years now and it does seem to have involved an amazing number of public hearings and meetings. I guess it is a big enough project it deserves thorough review, but I think we have done that. I would like to compliment the City Staff on the thoroughness of their review.

I would like to comment a bit about the community benefits issue. I am happy to see that Stanford and the hospital have reached agreement on that. Personally I think Stanford has been too generous, because I think the hospital itself is a community benefit. Most cities would love to have somebody come build a world-class hospital there and would offer them various incentives to do so, and Palo Alto is saying pay us $170 million. Of course all these community benefits constitute added costs of healthcare that will be born eventually by all of us. So it is not some magic pot that Stanford will take this money out of, so please don’t ask them for any more.

It looks like the traffic mitigation even have made Menlo Park happy, which is an amazing achievement in my view having lived in this area for many years and seen how Menlo Park deals with traffic. So I hope you can move this thing forward and keep it on track so they can get the new one built before an earthquake comes and knocks the old one down, and renders the whole thing moot. Thank you.

Vice-Chair Lippert: Our last speaker this evening will be Dr. Moss.

Mr. Robert Moss, Palo Alto: Thank you Vice-Chair Lippert and Commissioners. I have been following this for just a little while also. I admit that I had not looked at all the attachments that were part of the packet tonight, as I understand some of you have not been able to, which doesn’t surprise me. It is a huge pile. So I may have missed something that clarifies some of the issues I have, but I still have some concerns about some aspects of this project.
The first one just in passing is the School of Medicine is being replaced with eventually four new buildings, four story office buildings. The office space is less than 50 feet but the buildings themselves are going to be 68 feet plus an area above that that goes over 70-some feet for mechanical equipment. Why? The total space they are building is the same as the total space they are demolishing. The space they have now meets the 50 foot height limit. Why doesn’t the new building meet it? It ought to.

This leads to the next point. You are talking about amending or reference to the 50 foot height limit and saying it doesn’t apply in the Hospital Zone. I think that you ought to be very specific and say it doesn’t apply to this or that building in the Hospital Zone not the entire area, because they have given you reasons, I happen to think their reasons are invalid but that is another issue, for why they need to have such a tall building. As you know, at one of the previous meetings I pointed out some new procedures that various hospitals have come up with that reduce the need for tall buildings and actually have higher efficiency and lower costs of construction. Stanford of course doesn’t want to make any changes so they are not going to modernize their design. That being said, I think there is no real reason to allow carte blanche for tall building in the area.

The next point is one of the benefits, and that is the healthcare. It is on page 15, where we are supposedly getting $3.0 million for healthcare only not really, because the money is going to be set aside into a separate fund and not spent until 2025. The fund that it goes into is going to be used first to recapture any shortfall in tax revenues. If the shortfall is more than the $3.0 million plus interest over the period of now to 2025 there is no money for healthcare. The money for healthcare that is spent will be spent ten years forward from 2025 to 2035. So even if the $3.0 million remains we are talking about $300,000 a year. Considering the cost of healthcare today and the escalation that will probably get us three or four tonsillectomies.

The next concern I have is the proposed change in Policy L8 where it is suggested that Stanford will just be completely excluded from the restriction on additional growth. That means that after they have gotten this project complete they can come back in a couple of years and say we want to build another half a million square feet. It is a Hospital Zone we can do it. So I would suggest that you put in specifically that the Stanford Medical Hospital Clinic and other buildings up to a maximum of I believe 1.7 or 1.75 million square feet is what they are actually talking about the final project being. That is excluded. Anything over that counts. Now we are all talking about the same thing. We are all on the same page.

The final comment is about the observations that the Staff is going to make to make sure that everything has been done properly over time. That is discussed in there also. If they find that things are falling apart, traffic is higher than planned, or housing is a problem, whatever. There is no procedure for mitigating it. You just report it. Then what happens? You should have something in there that says this is how you correct an error. Right now it is vacant.

Vice-Chair Lippert: Thank you very much. With that we will close the public hearing. The reason why we are doing that is that we are going to begin to discuss and take action on the various parts of the recommendations here.
At this point the rest of the evening will focus on specific segments and the detail of tonight’s action. Each recommendation will require a motion, discussion, including any conditions before we take a vote, and move onto the next recommendation. I am suggesting we begin each segment with a brief presentation by Staff tonight, followed by a motion, and then some discussion, then the action. I would like for you to please be concise in your comments. We will use the five-minute rule rotating through Commissioners on both the specific questions and comments on each recommendation together. Then just so you know we have a short Board here, we only have six Commissioners, Chair Tuma is out. So it will require a majority vote in order to pass a recommendation.

Commissioner Keller: You need four votes.

Vice-Chair Lippert: Correct. It will require a majority. You can’t do it on three votes. It doesn’t move forward then.

So we have been at this now for approximately an hour and half. We are going to work through until about ten o’clock. So I recommend that a little bit before eight when we get to whatever the closest segment is at eight o’clock we take perhaps a seven-minute break at that point. It was actually suggested by somebody that we just take everything and just vote on the whole thing and move on, but I don’t think that is going to happen.

So if we could start with number one, which is CEQA. It is recommend certification of the Final Environmental Impact Report, and recommend adoption of a resolution containing CEQA Findings and a Statement of Overriding Considerations.

Just a point of clarification. It is really a draft recommendation and included in that can be any sort of conditions. At the very end of this review, after we have gone through each of these items and we have been able to discuss them thoroughly we will wrap everything up in a final motion. At that point if there are any additional amendments, changes, or additional conditions to the previous recommendations they can be entertained at that point. Part of the reason for doing it this way is that it is such a large document and there are so many little parts, and pieces, and nuances, and there is a lot of material to digest here that in the end somebody is going to come up with something they are going to want to discuss that and be able to include that as part of the review that we have done here. So that would be the reason to do one final recommendation or vote at the end.

So with that, Steven, do you want to make a little presentation on the first item?

Mr. Turner: Yes, and I will be brief. The Environmental Impact Report is probably the aspect of the project where you perhaps have the most familiarity with in that the Commission reviewed the Draft EIR in a number of public hearings last year. The Commission also reviewed the Final EIR at two meetings this year. So I think you are pretty familiar with the information and the issues that are contained within the Final EIR.

Real briefly the Final EIR was made available this past February and it included a number of items. It included eight Staff-Initiated changes. It included 12 Master Responses to kind of
consolidate responses we received throughout the process and to as many as group and
categories as we could. So we came up with 12 Master Responses. The result from the
responses and the additional analysis that we did as part of the initiated changes was that there
were no new significant environmental impacts as a result of that analysis, and there was no
substantial increase in the severity of an earlier identified impact.

There were five impacts that through our analysis were no longer significant and unavoidable.
Those included intersections Level of Service, impacts related to transit, air quality impacts
related to cumulative construction and operational TACs and fine particulate matter emissions.
There were also less than significant impacts with regard to climate change, specifically
furthering the policies of the Climate Protection Plan, and CC2 emitting significant greenhouse
gas emissions. The project was found to be in compliance with the Climate Protection Plan for
that rule.

The Commission will recall that there are 12 significant and unavoidable impacts including
roadway segments, criteria air pollution emissions as a result of construction, also operational
criteria air pollutant emissions, impacts related to noise during construction, impacts to the
historic resource in that we would be demolishing the 1959 Stone Building complex. There
would be removal of a number of protected trees on the site that would also be a significant and
unavoidable impact. All of those impacts are contained within the CEQA Findings and in your
Staff Report.

The analysis in the FEIR also included analysis of pile driving activities during construction that
was not previously reviewed, but it was determined by the project sponsors that pile driving will
be required in order to construct a replacement hospital but there were less than significant
impacts identified for that item.

The Commission also reviewed the Mitigation Monitoring and Reporting Plan and the
information contained within that.

What the Commission did not review in the meetings in March because it was not available was
the Statement of Overriding Considerations. Pursuant to CEQA the Statement of Overriding
Considerations would balance the benefits of the project against its unavoidable environmental
impacts. If the City Council finds that the benefits of the project outweigh the impacts then the
adverse environmental effects may be considered acceptable.

As I mentioned earlier, there are two categories of considerations that we feel will override those
unavoidable impacts relating to the amenities of the project such as the healthcare, providing a
high quality world-class healthcare, the provision of a Level 1 trauma center, and of course the
seismic safety improvements that would result. The second category regarding the community
benefits and payments that were negotiated as part of the Development Agreement including the
healthcare services funding, the community health programs, the infrastructure capital fund,
monies going to climate change, the sustainable communities projects, the cost neutrality of the
Development Agreement in the project, and again the use tax direct payment permit. So those
overriding considerations are contained within Attachment A of your Staff Report. Specifically
in Section 10, which is on page 41, is the section that was not available during your last review.
I don’t believe there are any other significant changes in that particular Attachment. So those are
the first two items under the California Environmental Quality Act and in our recommendations.
That concludes the Staff Report.

Vice-Chair Lippert: Okay. With that I will ask Commissioners for lights, and we will start with
Commissioner Garber.

Commissioner Garber: Steve, just before we get started here, I was wondering if you and
perhaps the City Attorney could spend a few moments instructing the Commission on the criteria
that we should be measuring against for our approval here. What is it we should be looking for,
the comprehensiveness of the process, the integration of the comments, etc.? If you could review
that briefly that would be very helpful.

Ms. Cara Silver, Senior Assistant City Attorney: We have the detailed CEQA Findings
contained in Attachment A. What the CEQA Findings set forth is a detailed description of the
impacts that have been identified in the EIR. It identifies the mitigation measures that have been
proposed and deemed to be feasible. That is one area that you should focus on to ensure that the
mitigation measures that are being recommended in the Findings are in fact feasible and that they
can be implemented. Then if there are any residual impacts left over after those mitigation
measures have been implemented then CEQA law requires a Statement of Overriding
Considerations. As Steven discussed the Statement of Overriding Considerations is also
contained in this resolution in paragraph 10.

When you review this the standard of review is substantial evidence. You need to just ensure
that the documentation that you have reviewed in connection with all of the hearings supports the
very detailed Findings that we have made in Attachment A.

Commissioner Garber: Just for clarification, our recommendation to Council of this document as
it currently exists does not equate directly as a recommend of the project as a whole but just
simply for the contents of this document.

Ms. Silver: That is correct. Before you can in fact take any action on the project itself you do
need to, or the Council will be the final of course body that takes an action on the project, so
before the City Council takes any action on the project itself or any of the components of the
project there has to be a Certified EIR in place.

Commissioner Garber: Thank you. Commissioners, I will just let you know if you can think
about approaching each one of these things as though we are making the recommending to move
forward with this, if you create comments that are conditional or other recommendations you
will make I am going to try and keep a list of those. So as we get to the close of this particular
item I can review them with everyone and we can either get head nods or what have you to
understand the consensus around them.

Vice-Chair Lippert: Thank you very much. Do I have any other lights here? Commissioner
Keller.
Commissioner Keller: When considering the mitigations are part of what we are doing determining whether the mitigations – analyzing whether the mitigations actually do mitigate the impacts identified? Is that part of our analysis to see whether those mitigations are in fact performing that goal?

Ms. Silver: You are charged with determining whether the mitigation measures are feasible and whether they can or whether they should based on the evidence that is received mitigate the impact. Of course it is recognized that you all are not experts in the precise field of all of these areas. So are entitled to rely on the scientific evidence and more technical evidence that is contained in the EIR.

Commissioner Keller: So to the extent that Transportation mitigations have a financial cap associated with them, and if the costs exceed that cap then the mitigation might be different, or might not occur, and therefore might not actually mitigate the impact. How are we supposed to consider that potentiality?

Ms. Silver: Well, as I said you need to make a feasibility determination. The cost certainly is one of the factors that go to feasibility.

Commissioner Keller: So one of the things interesting to me about this is in particular the escalation rate for GO Passes is based on the general increase in the Consumer Price Index I believe it is for the San Francisco Bay Area as opposed to some transportation cost index. If you consider the cost index of fuel for example, or energy in general, in the last three years has considerably outstripped the Consumer Price Index. Also, the cost of transit has also increased at a faster rate than Consumer Price Index. So indexing the cap on the GO Pass to the Consumer Price Index seems to be an inappropriate index. I am wondering if in order to maintain the feasibility or viability of that as a mitigation if the index associated with the cap needs to be adjusted based on some more appropriate index rather than the Consumer Price Index for the Bay Area. Do you have any comment on that?

Ms. Silver: What I would suggest with those types of comments is that if you wanted to take a straw poll on that particular issue and start framing those as recommendations to the Council that would be appropriate.

Commissioner Keller: So if you think about the Consumer Price Index going on for 51 years the chance that the GO Passes 51 years from now will fall within the cap of $1.8 million under the CPI escalation to me is pretty small. So I would suggest that a different index be used. I am not sure what index be used, but some index that is more appropriate or alternatively putting some more reasonable escalation of dealing with that cap. That is a mitigation. I don’t consider it, just as the City doesn’t consider it a public benefit it isn’t. It is really a mitigation. So I think if the Chair would like a straw poll on that I think that would be helpful. Okay.

So one other question. Actually, because I was not able to review, I didn’t realize that the answers to the questions we had raised last time were on the CD and not printed I was not able to review that. So I would like the opportunity to be able to do that when this comes back next week and to revisit this. My understanding of what would happen is going to be or what I might
suggest depends on that. In particular, one of the issues I asked about was the load factors on
Caltrain, and the Caltrain data has come out for 2011, and that shows higher utilization than ever
in Caltrain’s history. So to the extent to which those questions have taken into account the 2011
Caltrain ridership data it would be helpful to understand that with respect to the feasibility of GO
Pass. So that is the second half of that question and I would have to analyze that to effectively
review that. Thank you.

Mr. Turner: Commissioner Keller, just to respond. The questions that were received during that
first March meeting, as you recall we had requested Commissioner questions in writing via
email, and then Staff had a number of weeks to respond to those. Your questions regarding
Caltrain were received by Staff and responded to and presented to the Commission at the second
meeting in March, I think it was the 23rd. That was part of the Staff Report for the 23rd, and that
Staff Report and responses are on the CD that you would have received back in March.

Commissioner Keller: I think some of the greenhouse gas issues were not responded to at that
time. There were some subsequent ones I believe. The Caltrain answers don’t reflect the 2011
data, which is much higher, because I think the data may have come out since then. So I am not
sure how to deal with that.

Mr. Turner: Well, we could respond back to you and either show you the data or the response,
and if it is incomplete perhaps that is something that we can work on within the next week or so
and present to you individually.

Commissioner Keller: That would be helpful particularly for the Caltrain since the data is so
much higher for 2011. Thank you.

Vice-Chair Lippert: Commissioner Fineberg followed by Commissioner Martinez.

Commissioner Fineberg: I would like to start by reiterating what I have said at previous
meetings just to make sure that the focus is on a good place, a good foundation. The
redevelopment of the hospital is an important project to each of us personally, to the city, and to
the applicant. From a personal perspective I understand the importance of it. A month ago when
I needed a prescription filled that is not available in a local pharmacy I was able to get it the
same day by having Stanford where it is. When my daughter broke her elbow two years ago and
required surgery she spent seven hours on a gurney in a hallway in the emergency room. I
understand first hand how the ER isn’t big enough. It needs to be bigger. It needs to be better.
About eight years ago my son went to the emergency room at midnight and there were people
everywhere. He was seconds from death in respiratory distress and they got him into the ER and
he is alive and kicking. So I get the importance of having a safe hospital, a state-of-the-art
hospital, and in a timely manner.

Those needs though don’t supercede the needs of rushing through a review, an environmental
review, where we correctly determine the impacts, the mitigations, and the Development
Agreement that serve the long-term best interests of all parties the hospital, the City, and its
people that live here, the people who work here, and property owners. So our job is to look at
those perspectives and make sure that all of those interests are well served. It is a balancing act because there is a need for speed, but there is also a need for getting it right.

So with that focus on the need for getting it right I am going to have the remainder of my comments. For the CEQA review I agree that the correct conclusion has been reached that the best alternative is the Tree Preservation Alternative with certain aspects of the Village Concept Alternative. That is the best project alternative. We talked about I think at this point it might have been two years ago. So I am please to see it come forward in that form. I do want to reiterate I have issues with the nomenclature of it as Tree Preservation Alternative because it still is causing the loss of far more trees than it is saving by significant numbers. I think it is saving like 12 or 18 and destroying something in the handful of tens. So I almost wish we had another name for it other than Tree Preservation Alternative because it really isn’t preserving the trees, but it is the best alternative.

As far as the adequacy of the environmental review I have significant issues that I have commented on extensively, that other Commissioners and members of the public have commented in previous meetings. as a matter of process I find it unbelievable that in all cases where we went from our DEIR into our Final EIR that all of the Staff-Initiated changes led to either new methodologies for measuring impacts where in all cases they became diminished to the point of being insignificant or they simply cease to exist because of verbiage like something that is a quarter of a mile away is too far to have any impact on the construction impacts, therefore there is no impact. There were some quirks of logic and verbiage that I believe did not adequately address how we measure the impacts. If anyone needs details we can, in the interest of time, look back at comments from DEIR and past meetings. So I am not going to list them again other than by the general scope of them, and not going into the details or justifications. That would include the construction impacts, the historic impacts including the demolition of the Stone building, and the visual impacts on the Hoover Pavilion. On the Stone building we do have the ability to mitigate the impacts by methods that are being rejected. The National Trust for Historic Preservation said that there is precedent nationwide for mitigating it by establishing funds and we are simply having a Statement of Overriding Consideration saying there are no other mitigations. So I don’t find that accurate on its face. We have talked about housing impacts. We measured it by saying we are going to take the 2,000 new jobs less the ten percent of the people by zip code live in Palo Alto, so it was hand wave, hand wave of a few hundred homes, not significant. Well, we knew that ABAG was going to require more and we have since had One Bay Area Government come forward and say there is 1,000, we don’t know why they are not saying 2,000, but they are saying there are 1,000 new jobs at Stanford and they are requiring one-to-one. You create a job you build a house. So One Bay Area Government is going to give us an allocation of 1,000 and we only going to mitigate less than 200 of that. We are not having cost neutrality applying for PAUSD because we are understating the housing impacts. Lastly, and as resident Mr. Moss indicated, our mitigation monitoring and reporting does not include any funds for enforcement. We know we are short of that. And it doesn’t include in many places any tools or penalties for enforcement if there is a lapse. In some places it is there but it needs to be broader.

Vice-Chair Lippert: Thank you, Commissioner Fineberg. Commissioner Martinez followed by Commissioner Tanaka.
Commissioner Martinez: Can I take one minute of my time to ask Commissioner Fineberg, so you have stated the problems. What are proposing how we go forth with that?

Commissioner Fineberg: Thank you. In some places I would recommend additional conditions that either be included in the environmental reporting or Council to include in the Development Agreement. I think it is also just a negotiating strategy that Staff and the City not simply say well, the applicant doesn’t want to do it therefore it is not feasible. If we have come out with a Statement of Overriding Considerations saying that Council has already decided that the existence of the project itself is the only benefit that is needed there is no negotiating leverage at that point. I would like to recommend that there be additional Conditions of Approval that would include a historic fund in the Development Agreement. I would like there to be…

Vice-Chair Lippert: Excuse me we are not discussing the Development Agreement right now. What we are discussing right now is the FEIR and the Statement of Overriding Considerations. We are focusing in on those specific things right now. So if you believe that there should be additional points in the Development Agreement we will eventually come to that recommendation and that is where that should be.

Commissioner Fineberg: Okay. Let me reword that then. The Trust for Historic Preservation has said it is a mitigation so let me reword that by saying it could be an additional mitigation so it would more fully mitigate the impact and it would remain not in the Development Agreement but in the environmental analysis.

I would like to have something in the analysis of our housing. I don’t know what the legality of this is now. We have gone to the FEIR and I am saying it is not adequate. Can our housing methodology reflect the model that One Bay Area Government and ABAG is imposing as opposed to we did this percentage by residency that we have never used in the City. Can we have our environmental analysis then correctly impact the impacts on the school district, which would change what their negotiated public benefit for PAUSD is? Then the mitigation monitoring would have to include additional enforcement and penalty or alternative scenarios where appropriate.

Vice-Chair Lippert: You have two minutes, Commissioner Martinez.

Commissioner Fineberg: You are welcome. I only have a couple of quick items. One, and this is not to contradict Commissioner Fineberg because I agree completely with what she just said, but I believe that the Statement of Overriding Considerations should not consider the community benefits. I am not sure we can reach an agreement on that. For example, I am not sure $3.0 million in healthcare funding would satisfy people who are concerned by the trees that we are losing, or that $43 million in overall payments would satisfy those that would grieve the loss of the Stone building. So I would rather remove those overriding considerations and bring it to one that Stanford is compelled to abide by SB 1953 in terms of public safety and state law requiring that they replace this hospital. That is an overriding consideration. The second is if they choose not to do that or to move elsewhere that Palo Alto would lose a significant...
I think those far outweigh any kind of monetary benefit or any loss of important trees or loss of this building. Thank you.

Vice-Chair Lippert: Thank you, Commissioner Martinez. Commissioner Tanaka.

Commissioner Tanaka: Thank you to Staff and all the other parties involved in this process. I think we have a very comprehensive review of this project. I admittedly also only got this document four days ago so I have skimmed through much of it. I just want to get a confirmation from maybe Steven Turner or Curtis on some of the communication of for instance the tree plan. When the historic trees or heritage trees are cut down is there a communication plan in place to make sure that the public is well aware of the situation?

Mr. Turner: The disposition of all of the trees on the site is described in a couple of areas. Most relevant to this discussion the Mitigation Monitoring and Reporting Plan does have mitigations that describe how the trees are to be treated, how they are to be classified, how they are to be treated in terms of if they are to be removed, replaced, or relocated. Those are as part of the mitigations. In addition, the new Hospital District regulations includes a section on trees and tree preservation, and echoes what is in the Mitigation Monitoring Plan is consistent with those.

Commissioner Tanaka: Actually, I was referring to public communication. I know all that is in there. I was wondering about making sure the public is well aware because this is not going to happen for awhile even if we approve it tonight. So I just want to make sure that the public is well aware, not just the public here tonight, but that the public is well aware of what is going to happen.

Mr. Turner: Sure. We are in the process of developing the process for requesting tree removal as the projects are developed. It could involve what we use right now which is a tree removal permit application whereby people who have protected trees that need to be removed apply to the City and that is reviewed against requirements that are in the Tree Preservation Manuel and if those requirements are met then the tree usually is allowed to be removed by permit. That is not so much of a discretionary process right now. There is a not a public input. It is more of an administrative type of review. That is what we would foresee for this type of project.

Commissioner Tanaka: I guess I am really not referring to the approval, because I get all that. I guess what I am talking about is communication, the outreach, kind of the outreach plan for two things really the tree removals or disposition, whatever you want to call it, and also the eventual construction plan of how the trucks are going to roll. I think communication to the public is very important on this project. It may not be surprising to the people here today but may be surprising to the people a few years from now when this thing gets rolling.

Mr. Williams: I can add that is a good point. We do have construction operations plans that are developed in advance and generally involve some kind of notice to surrounding, particularly residential areas or businesses that might be affected during the construction period. As far as say specific notice that these X number of trees are going to be removed on such and such a date that probably is not in there because it is part of this project to do that approval. As opposed to if
we go out now and there are some street trees that are going to be removed, there has not been a public process for that so we put up signs.

Commissioner Tanaka: I realize that all of this has been a public process, but I just think that it would be good to run an ad in the newspaper, mark the trees, and just make it very abundantly obvious that ….

Mr. Williams: That is what I was going to say. I think that we can do that too. We probably should do it in conjunction with the same time as the construction operation thing so everybody knows this project is going to get started, part of the project or at least this phase of it is going to involve removal of these trees so people have an opportunity to understand that before it happens.

Commissioner Tanaka: I don’t know if it needs modification of the CEQA statement we have here, but I was just thinking operationally it seems to make a lot of sense to have a very good communication plan around this, given the sensitivities in the city. Thank you.

Mr. Williams: I don’t think that is part of the mitigation measure, but it certainly could be a Condition of Approval for the project.

Commissioner Tanaka: Really? Maybe it should be as a strong communication plan around the tree removal and the construction that will be happening so the residents and concerned citizens know.

Then the last item on my list here is to follow onto Commissioner Keller’s comment. I think he made a good observation about making sure that is properly indexed. I think that is actually Stanford’s intent is to actually mitigate the impacts, and if it doesn’t keep up with inflation then that could be an issue. I guess what I was thinking is maybe it should be broader, not just the GO Passes, but all the monies should be indexed appropriately to inflation.

I also realize from Stanford’s point of view that it has to have some sort of cap otherwise it could be a bit of a problem, but if the idea is to be truly net neutral then I think being appropriately indexed to inflation for all the numbers, be it the healthcare, be it the healthcare service funding for the $3.0 million there, or the community health program. It seems to me that would be I think the intent of the parties. So it is just kind of an extension to what Commissioner Keller was mentioning earlier about the GO Passes. Maybe we should extend it throughout so it is uniform. Everything is indexed to mitigate things appropriately according to inflation.

Vice-Chair Lippert: Okay, with that we have been at this now for a little over two hours. So with that I think we will take a five-minute break and then we will pick this up at ten minutes after.

MOTION

If everyone could take their seats please. Okay. In the spirit of moving things along here I am going to recommend Certification of the Final Environmental Impact Report. Basically, I am
making that in the form of a motion. I am making a motion to recommend Certification of the Final Environmental Impact Report.

I think a lot of the comments made here tonight are valid. I think that they need to be made as part of our deliberations here this evening. However, we had two public hearings on the Final EIR. We had Commissioners be able to submit additional questions and comments in writing. Prior to that we had the review of the Draft EIR. We had a really great group of consultants, actually an army of consultants that addressed those questions and answered them fully. You may not agree completely with the answers that they provided us, but that is not their charge. Their charge as professionals is to answer the questions that are put forward and do it based on their training and standards of the industry associated with the kind of analysis that is being done here.

I agree with what Commissioner Keller had to say with regard to the cost of living, the escalated cost of living, and with regard to the cost of transportation. But by the same token the cost of gasoline is going up. The cost of fossil fuel is going up. There is a lot more traffic on the road these days then there was two years ago. Those are other impacts or influences that get people out of their car besides Transportation Demand Management programs or paying into a GO Pass program. People in New York City take public transit and they don’t ask for subsidy necessarily from their companies to take public transit. It is the nature of the system and infrastructure that drives a lot of the public transit. Electrification of Caltrain will make the trip times between San Francisco and other points on the Peninsula much faster to get to Stanford University and make it much more desirable to take the train than say sitting in traffic on Bayshore Freeway, for instance. So there are other aspects besides the cost of living, although I agree that that is one aspect. One aspect to it.

I also concur with my colleague Commissioner Martinez that to draw the line at a specific item in the Statement of Overriding Considerations the fact that they have to renew this project and they have to get this thing going otherwise we lose a stellar facility in Palo Alto and an incredible resource, but again there are other aspects that I believe feed into that Statement of Overriding Consideration. So with that my motion is move recommendation of Certification of the Final EIR because we did what we were required to do in terms of our analysis of and review of the report, and in conducting the public hearings.

SECOND

Commissioner Garber: I am going to second that and we will see if we can work through it. I do have a question I think for perhaps both the Chair as well as the Attorney. If I am understanding the Chair’s intent here it is not to lose the comments and other recommendations that we are creating a list of here, but to add those as a separate motion that would occur at the end of the entire proceeding.

Vice-Chair Lippert: It could happen at the end of the proceeding. It could come forward as friendly amendments or conditions that are added to the motion. What I am trying to do is take what we think is important as a body and do everything that we need to do in terms of getting a majority to move this forward to the City Council.
Commissioner Garber: I was asking because I know at least one Commissioner wanted to some
time to be able to go through some data that presumably we would not be able to get to until next
week.

For the City Attorney, can we do it in this sort of way where we have a bundle of different
motions? Is that okay?

Ms. Silver: That is fine. We will just have to make sure that at the end of the day that the record
is very clear as to what your final recommendation is, and we will take notes at a Staff level and
if we have any questions we will clarify that at the end of the hearing.

Commissioner Garber: In a certain sense I guess I might characterize this as sort of nested
motions. We are creating all the eggs and we will create the nest next week presumably.

Vice-Chair Lippert: Or put them all in the carton.

Commissioner Garber: So I will second that and then I think I will entertain some, I m not quite
sure how we want to describe these, but perhaps they are friendly amendments in terms of
recommending the City Council consider additional aspects to it.

Vice-Chair Lippert: What I would do is allow each of the Commissioners that wish to add their
language or amend it in any way that we can do that and see if it is something that is agreeable to
both yourself or myself.

Commissioner Garber: I can go through my list for some of them, although some of them for
instance the suggestion of Commissioner Tanaka that we hold that out and that becomes a later
condition of approval as opposed to specific to the CEQA motion. If that is acceptable I will go
through the list that I do have.

Vice-Chair Lippert: Sure, go ahead.

Commissioner Garber: So there would be a condition to this motion forwarding Staff’s
recommendation for the approval of the CEQA document. That would include the City Council
consider a different way of indexing the cost of the GO Passes over time using potentially a more
appropriate index such as an energy index or some other escalator. I don’t know if you want to
be any more specific, but we can ask Staff to review or make suggestions, or come back or
something of that sort. I will put that out there if you would like to modify it please do.

Commissioner Fineberg, I am going to probably need your help but let me try. Yes.

Commissioner Fineberg: Was that the complete list of Commissioner Keller’s suggestions?

Commissioner Garber: His second one had to do with his review of Caltrain’s data, which I know
he has not done yet. So I figured that we would add that one later.
Commissioner Fineberg: Can I make a quick comment on that first one?

Vice-Chair Lippert: Before we do that, you asked if that was a complete list of Commissioner Keller’s comments.

Commissioner Fineberg: I am not sure if it was accurately captured.

Commissioner Garber: I am expecting him to correct me.

Vice-Chair Lippert: Okay, but I do have lights prior to you from Keller and Tanaka. So they really should speak for themselves if they have things that they want to add to this.

Commissioner Garber: Okay. So you are suggesting not going through the list but letting the Commissioners do that.

Vice-Chair Lippert: You have the floor.

Commissioner Garber: Okay, so I will just go through the other ones that I have. Commissioner Fineberg you had mentioned removing the demolition of the Stone building from the Statement of Overriding Considerations and ask the City Council to consider mitigating that through raising a fund. I am not exactly sure what that fund does, but to create a fund.

Commissioner Fineberg: Should I clarify? I don’t think it was remove it from the Statement of Overriding Considerations but mitigate it more fully by having a fund that was defined by the National Trust for Historic Preservation. If that isn’t a full mitigation it would still need to have the Statement of Overriding Considerations, but that would more fully mitigate it.

Commissioner Garber: Okay. You had also mentioned the visual impacts on the Hoover Pavilion. Can you help me with what recommendation you are making there?

Commissioner Fineberg: One mitigation was recommended by the Historic Resources Board, adding that finial. Obviously it would have to be reviewed. Another would be redesigning or some other way of not diminishing the visual impacts. So mitigating it again.

Commissioner Garber: Don’t go far from your microphone there. You also made recommendations on housing impacts.

Commissioner Fineberg: It would be measuring them in a way that is consistent with methodologies being imposed on us by One Bay Area Government as opposed to a process using by residency of staff members that we haven’t used on any project anywhere in the city. So changing the method of how we measure it.

Commissioner Garber: From ABAG versus the staff projections. Then you had some recommendations in dealing with the PAUSD.
Commissioner Fineberg: That was if we change our impact on the housing inducing – if we change our measurement method on housing inducing impacts that will change the impact on the student generation. So if we have 2,000 new households there are going to be 2,000 new students as opposed to 20.

Commissioner Garber: So this is simply an impact of making that change not a recommendation in and of itself.

Commissioner Fineberg: Well, the recommendation would be that one, we correctly measure the student growth inducing impacts, and then the recommendation would be that we also have cost neutrality for PAUSD. In the same way that we have a cost neutrality for the City we are not having that kind of parody to the school district.

Commissioner Garber: So that recommendation might read something along the lines that we recommend that the City Council utilize ABAG’s projections versus the Staff’s projections, which would then cause us to recalculate the impacts on the PAUSD relative to growth inducing impacts, all in effect to create a cost neutrality to the schools. Finally, you are also suggesting that there be funds made available out of the project for the enforcement of the various mitigations that have been identified.

Commissioner Fineberg: That and the language that would be necessary to later implement enforcement whether it be alternative mitigations or penalties. We have done that in some places but not in many others.

Commissioner Garber: Okay. Then Commissioner Martinez spoke about the Statement of Overriding Considerations. Okay, thank you. So we will deal with that separately then as opposed to as a part of – we are just doing CEQA. We are not doing the Statement of Overriding Considerations right now.

Mr. Williams: We would certainly suggest that it should all be wrapped together, those two. That was our understanding.

Vice-Chair Lippert: Okay.

Commissioner Garber: Alright, so Commissioner Martinez’s recommendation is that Section 10, and help me here Commissioner Martinez. My sense here is that given what you were getting at is you want to be clear here that the benefits of the project, which the City Council finds serve as overriding considerations for the entire community, and that it is really benefiting the entire community. That the primary benefits are the healthcare, the trauma center, and the seismic safety topics, which are contained under Subsection A, items A, B, and C. Then Subsection B, which is Community Benefits and Other Benefits those are secondary and they address other issues that help balance the impacts, but they shouldn’t be confused with the primary benefits which are above them. Am I getting this correct?

Commissioner Martinez: Essentially you are, except that I would really emphasize that an overriding consideration is that Stanford is required by state law to replace the building or go out
of business. So that is an overriding consideration that I think preempts a lot of things, and is
separate from the community benefit that we will enjoy by having this healthcare facility there.

Ms. Silver: Excuse me Chair Lippert and Vice-Chair Garber. If I could just clarify the way the
Statement of Overriding Considerations is setup. The Statement of Overriding Considerations
certainly does acknowledge the importance of the hospital itself and the intrinsic benefits of
retrofitting it in compliance with SB 1953, and states that those intrinsic benefits override the
main aspect of the project, the zoning and the Comprehensive Plan, and the Entitlements that you
would expect to see in a project like this. Then the second aspect of the Statement of Overriding
Considerations really is just for the Development Agreement. That is where we bring in those
other what you have characterized as sort of secondary benefits. We have said that in change for
the granting of this Development Agreement and that extra entitlement there should be additional
overriding considerations. So we have itemized those other aspects. So in a way there is that
recognition that there are sort of two categories of benefits.

Commissioner Martinez: I would try to separate that. The Statement of Overriding
Considerations I think addresses the EIR issues that we are not mitigating and why we still need
to proceed with the project. The Development Agreement Statement of Overriding
Considerations I agree with you the community benefits are important there, but I would use a
different terminology and try to keep the two separate. So we are satisfying the EIR
requirements without going into another area.

Commissioner Garber: Alright, so that is our recommendation. Commissioner Tanaka you had
suggested that a strong communication plan be put in place regarding the removal of the trees.

Commissioner Tanaka: Yes, the removal of the trees and the general construction since we are
public outreach. I know there are plans. I am talking about the communication of those plans so
that the public is not surprised when this starts happening a few years from now.

Commissioner Garber: That is what I have on the list thus far.

Mr. Williams: Vice-Chair?

Vice-Chair Lippert: Go ahead Director.

Mr. Williams: If I could take a couple of minutes to respond to that list you have and sort of
maybe categorize them. The issue of indexing, I understand that. I deal to our City Attorney
here as far as whether that goes to the CEQA issue or to some kind of Conditions of Approval,
but I think it is important to recognize that that is part of the FEIR language in the mitigation
measure. So we are trying very hard not to modify a mitigation measure itself. It could be that
you could look at it separate from that.

The mitigation of the Stone building with the historic fund, I think, and again Cara could speak
to this more in detail, but the only time that can be a mitigation is when there is clearly some
kind of nexus between how that historic fund and the impact. So in this case the Stone building
is gone either way and the historic fund would need to be used in some way that really sort of
reflected that particular action, not just in any type of historic rehabilitation. So it may be a
useful thing to look at but we don’t think it would serve as the mitigation for that.

The housing impact one, whatever One Bay Area has done has no meaning or force at this point
in time. Number one it is not a requirement for a city to do anything. Secondly, it is an Initial
Vision Scenario that is already being attacked and they are developing alternative scenarios that
are very different than that as we speak. Even ABAG’s requirements are not the basis for a
CEQA review. So what we are looking at in the document is what are the criteria for
significance under CEQA and the criteria that have been used, and again this goes back to what
Vice-Chair Lippert was mentioning with the professional analysis, is that there are sort of legally
established ways of doing that. It relates to how much housing within the growth that is
anticipated in the region and whether that is a significant number or not. So to use a different
methodology we don’t think would have validity in this case. Then that subsequently relates to
the PAUSD issue, which would follow from that.

Funds for enforcement of mitigation measures, if you wanted to go there we think would be a
condition of Approval type of action not a FEIR/EIR action.

We have spoken about the overriding considerations in terms of your recommendation if you
accepted the suggestion of Commissioner Martinez would be to clarify that particular overriding
consideration to make the distinction between the Development Agreement and the EIR.

Then as we mentioned with the communication plan that it could be a Condition of Approval but
it really wouldn’t be a mitigation measure directly related to the EIR. Thank you.

Vice-Chair Lippert: Thank you. Are you finished?

Commissioner Garber: I was just going to modify. You skipped over one, which was the visual
impacts on Hoover Pavilion, which is the adding of the finial, and findings ways to further
diminish the visual.

Mr. Williams: So that again is an ARB and HRB recommended condition that it would be a
Condition of Approval as it is. So it doesn’t need to be reflected in the EIR.

Commissioner Garber: So of the list that I had iterated, which was indexes, historic fund, visual
impacts on Hoover, housing, mitigation enforcement, Statement of Overriding Considerations,
and the communications plan you are suggesting that the index become a Condition of Approval.
The historic fund go away. The visual impacts on Hoover become a Condition of Approval.
The housing go away. Mitigation enforcement become a Condition of Approval. The Statement
of Overriding Considerations be accepted, you will look at clarifications. The communication
plan become a Condition of Approval. Am I getting that right?

Mr. Williams: Yes, I am not real sure about the index issue, and I don’t know that we
necessarily agree with that either, but I guess if it were going in it could be a condition.
Commissioner Garber: Well, we will get back to these presumably at the end, and we can have that discussion. Presumably that may not occur this evening so that some additional thought can be put into it. That leaves us then with the underlying motion as it was initially stated.

Ms. Silver: Actually, just to clarify I think the original motion was Certification of the Final EIR, and then we would also recommend that you fold into that the adoption of the resolution containing the CEQA Findings and the Statement of Overriding Considerations.

Commissioner Garber: Yes, I would agree with that.

Vice-Chair Lippert: Can you please hold for a second, Commissioner Martinez. We have two other Commissioners that had their lights on.

Commissioner Martinez: I really wanted to go back to the Planning Director while the item is still fresh.

Vice-Chair Lippert: Okay, can you make it brief, please.

Commissioner Martinez: It is very brief. Curtis, we were always suspect of the way the housing was determined. That was from day one, since I began reviewing this. Can we not make a recommendation that the housing mitigation is too low, not appropriate?

Mr. Williams: I think you can make a recommendation that you feel that the housing generation may potentially be significant in some way that you think that the Development Agreement should address it or something like that. I don’t think that there is a basis in the EIR to address that. That is not our significance criteria and the technical methods of addressing that don’t work in the EIR.’

Now if the Commission felt that there should be more housing mitigation than the funding that they are providing in the Development Agreement or it should be in the form of housing or whatever that is certainly within you purview to make that kind of a recommendation regarding the Development Agreement.

Commissioner Martinez: Okay that is fair. Then quickly, you mentioned that the Historic Resources Board has already touched on the finial issue. Can’t we also chime in on that one and the recommendation?

Vice-Chair Lippert: Yes, but we are going to do that later.

Commissioner Martinez: Excuse me I just want a yes or no.

Mr. Williams: Yes you can and I would suggest it is part of the conditions of Approval rather than EIR item.

Vice-Chair Lippert: I want to just go back to this briefly and then I really have to turn it over to Commissioner Keller. He has been patient long enough. My original motion was really very
basic, boring, and bland because this is a technical document. What is required of us in this
review is that we have public review of this document, and that the technical experts on the
document answer the questions of the public, and what the impacts are. Again, I reiterate that
you may not fully agree with the answers that you see but there are certain professional criteria
behind this document that really carries the document forward. All that we are being asked to do
is say that the document is sufficient and adequate even though it may not cover everything in
the known universe. Commissioner Keller.

Commissioner Keller: Thank you. The first thing is going to the issue of escalation. It seems to
me that for example the construction sales tax of $8.1 million, which corresponds to $810
million of construction materials purchased upon which sales tax is computed that that should
really be a net present value number. It should really be $8.1 million on the net present value. If
the number is later, in some sense if it is ten years from now or five years from now, or whatever
it should be escalated appropriately so the $8.1 million shouldn’t be – the money you get later is
worth less than the money you get now. So that is the kind of escalation I mean. Doing that on
CPI on makes a lot of sense because in some sense that is based on the City expenses.

With respect to healthcare expenses what is interesting is the $3.0 million of healthcare expenses
is being deferred for 15 years, and it is escalating at I think four and a half percent. I don’t think
that healthcare inflation has been at four and a half percent for as long as I can remember. So
there already are healthcare escalation figures that you can get from some healthcare statistic
agency like the Health and Human Services Department of the federal government. So using
that as an escalation would make much more sense so you have the same value of the $3.0
million now.

With respect to the GO Pass figures I just checked and it costs $155.00 per employee per year for
GO Pass. I took the liberty and I am not sure if I was allowed to do this, but I asked some people
from Stanford how many employees are there. There are about 2,200 extra employees. How
many employees are we talking about? They said well currently there are between 9,000 and
10,000 employees. Staff didn’t remember the number. Stanford wasn’t sure of the number. So
if you add 2,200 to 9,000 or 10,000 employees you get somewhere between 11,200 and 12,200 if
I did the math right. I divide $1.8 million by $155.00 per employee per year, and I get that that
covers at the current rate 11,612 employees.

So first of all we need to make sure that even at the current projected number of employees times
$155.00 that that actually covers it at $1.8 million. If it doesn’t cover it, for example for 12,000
employees it would be $1.86 million. So that $1.8 million needs to be at least adjusted so it
covers the expected number of employees at full build out or we are sunk. Then we are behind
even before we start.

The second thing is that considering that that cap is so tight based on the expected number of
employees then in CIP being outstripped in the first year if Caltrain raises it from $155.00 to
$175.00 that makes the GO Pass no longer feasible in year two. So I think that that indicates that
we have a real problem in escalation.
With respect to Commissioner Martinez’s comment that the requirement of the Alquist Rules which have been amended by SB 1953 about hospital seismic safety, I agree with Commissioner Martinez if we were only right sizing. If all we were doing was right sizing and the all impacts were due to right sizing, as Stanford uses that term that would be great. But we are not merely right sizing we are expanding it by adding so many hundreds of rooms additional. In that case, that is not simply required by SB 1953. It is something for which there is justification for but the earthquake safety is not the reason for that justification. Instead it is as long as you are doing it you might as well kind of justification. Therefore you do need a further Statement of Overriding Considerations than seismic safety, precisely because you need an additional Statement of Overriding Considerations for that extra hundred and some odd rooms, and for each hospital. So I am not exactly sure what the numbers are but those extra hundreds of rooms have to be separately covered by a Statement of Overriding Considerations, which is why you need the full compliment. Seismic safety is just not sufficient.

With respect to housing and the mitigation. Now my understanding is that some time ago there was a City Council vote to try to have the hospital be covered by the same standard housing mitigation fee as the rest of the city. That failed on a four – two vote. The reason it said failed on a four to two vote is because you need five votes on the Council to pass a resolution. There were several people on the council who were conflicted out at that time about Stanford. Correct me if I am wrong, but I believe the exact amount of the housing mitigation money is the amount that would be computed based on that fee if it had applied to Stanford. That is what I remember correct me if I am wrong about that.

Ms. Silver: The Development Agreement contains a $23 million payment, of which $3.0 million must be used for affordable housing. The other $20 million is unrestricted. It can be used for a variety of different infrastructure programs at the City’s election. That $23 million amount is coincidentally equivalent to the amount that the hospital would have had to pay if they were subject to the in lieu fee.

Commissioner Keller: Thank you. So even if we might deem the number to be higher the fact is that based on this amount of development that is the number that would be computed. In this particular case it is actually more flexible. The City can use it for various other means. So in some sense it is fair to think about having Stanford have to mitigate to the same level as anybody else. It is not really fair in this particular case to have Stanford be mitigated further, and it is mitigating to that level.

Now where the issue of important mitigations come out, and think about what kind of mitigations make sense for Stanford, when you have something this large making sure that the traffic impacts, because that is going to swamp, that seems to be really important to deal with, but that has its own factor. There are other things that one might consider with respect to Development Agreement because those are actually other entitlements. I think that in terms of housing based on the fact that we have an established fee and this number that they are paying is in line with that established fee that does seem fair. Thank you.

Vice-Chair Lippert: Commissioner Tanaka.
Commissioner Tanaka: Just listening to Commissioner Keller, indexing the funding and fees to the appropriate index seems to make a lot of sense to me, but I think the Planning Director indicated doesn’t necessarily agree with that answer or that thought. Maybe Staff could explain why indexing the fees and funding to the appropriate index doesn’t make sense. I think one of the public comments was that $3.0 million over X number of years is not going to pay for a whole lot of services.

Mr. Williams: Well, some of these indexing discussions have occurred extensively with the Administrative Services group. I think we probably better bring you that answer next week after we can visit with them and see what their take on that is.

Commissioner Tanaka: Okay, thank you.

Vice-Chair Lippert: Commissioner Fineberg.

Commissioner Fineberg: A quick question on the indexing just to clarify. When Commissioner Garber noted the items on our list he talked specifically about only indexing the GO Pass program. Commissioner Keller has more generally talked about other things. I guess I still have as a question let’s look at the Everett Avenue Bicycle and Pedestrian Undercrossing. Are we determining that a payment of $2.25 million will fully mitigate the impacts? What happens if let’s say it costs $10 million to build that undercrossing so that it is only 25 percent of the mitigation we anticipated? Do we consider that by one, are the escalation clauses going to apply to all the other transportation projects, and two can we consider it fully mitigated if the costs exceed what the mitigation payment has been estimated to be?

Ms. Silver: I can try to answer that question. Of course we don’t have up to date construction cost estimates for the Everett Tunnel. The information that we put together is only as good as the data and numbers and cost estimates that we have at the time. We do have a transportation impact fee that has a lot of this data and cost estimates. So of course Stanford is not required to pay the entire cost of the Everett Undercrossing because other development also contributes to the need for that. So based on the impact fee calculations in the nexus study that was performed in connection with the impact fee the fair share calculation that Stanford would be responsible for was calculated to be that amount. So again that amount is based on the data that we have at the time, and that is typically what we do with these types of projects. We don’t then go back and refund if the project comes in under or bill if it comes in over.

Commissioner Fineberg: Okay. I appreciate that clarification. I would like to make the point that if we are indexing that it be to a number of the measures where we have made estimates and not just the GO Pass or one or two others that are hand picked. All of these costs will escalate over time so if that could be applied generally where appropriate.

Vice-Chair Lippert: Okay. I see my light is on so we will go to Commissioner Garber.

Commissioner Garber: If I bumped it I apologize.

Vice-Chair Lippert: We will then go to Commissioner Martinez.
Commissioner Martinez: Okay. I want to get back to the point of overriding considerations. Maybe I am understanding the terms a little bit too literally, but to me it doesn’t sort of make sense that an overriding consideration for items we can’t mitigate is the fact that someone is paying us a lot of money for it. So a community benefit of so much money doesn’t change the fact that something isn’t being mitigated. The overriding consideration is that we are getting a new hospital and maybe it is bigger than the old hospital, but it is providing private rooms, and it is providing emergency rooms for Commissioner Fineberg’s kids, and providing I wouldn’t even call them amenities I would call them necessities. To me that measures as an overriding consideration that we are receiving far more good than we are losing in terms of the hospital that has to be torn down or some other item. I just can’t equate the dollar amount even though it is a lot of money and I don’t like gouging Stanford or any other applicant for these items, to me the overriding considerations has to be something that is inherent in the project itself.

Ms. Silver: I am going to invite Rick Jarvis, our CEQA Special Counsel to respond to that.

Mr. Rick Jarvis, CEQA Special Counsel, Jarvis, Fay & Doporto: Good evening. Actually everything Commissioner Martinez said is essentially correct. The issue of whether or not overriding considerations exist to justify the significant impacts that have been identified is really a policy question for you to make a recommendation on and the City Council to decide. It would be a perfectly legitimate policy determination for the City Council to decide that the benefits of having this hospital and the expansion of the hospital to provide additional services those benefits override the negative impacts, the negative environmental impacts of the project identified in the CEQA document. That is a perfectly legitimate policy determination. You could also make an opposite policy determination. It is really for you to decide and weigh and for the Council to decide and weigh.

Vice-Chair Lippert: Commissioner Garber.

Commissioner Garber: Just so I am getting this right, the way that the statement reads now is it essentially says that. It also says that because the project has a variety of qualities we are going to overlook these impacts, plus we want some dollars in order to overlook those things. Granted, I am being a little crass here.

Mr. Jarvis: Well, that is not really what it says. The Statement of Overriding Considerations as currently drafted says for the project itself and ignoring the Development Agreement if we just look at the project itself the benefits of that project are overriding considerations, which justify approval of the project not withstanding the impacts.

The part B deals with the Development Agreement and the Development Agreement is a component of the project, and it is basically a recognition and you don’t need this in order to address all of the benefits. That part says that the community benefits that have been negotiated as part of the Development Agreement, which community benefits are over and above what the City could have legally required on the project without the Development Agreement, those serve as additional overriding considerations that don’t justify approval of the project itself, but justify
approval of the Development Agreement, which will have the effect of basically tying the City Council’s hands in terms of its ability to impose new conditions on the project in the future.

Commissioner Garber: Commissioner Martinez, is this helping you?

Vice-Chair Lippert: If I might interject for just a moment. The whole purpose of a development agreement is it is basically looking at this project as being somewhat almost like a PC, a Planned Community zone, where there are public benefits that extend off of the site. To give you an example, the connectivity say between the transit center and the hospital. That would be a public benefit. It directly doesn’t happen on the hospital property but they are providing that connectivity in order to make the transit work.

Mr. Jarvis: I thought it also might be helpful if I briefly address one or two other questions that have been raised during the discussion here. One of the questions is what are you doing here, big picture, with respect to the Certification of the EIR? Basically, you are making a recommendation to the City Council whether or not to adopt this CEQA resolution, which makes a variety of findings. One of the findings, and one of the most important findings, is you are certifying that the EIR is legally adequate. I am echoing what Commissioner Lippert has stated. In order to be legally adequate you don’t have to be perfect. You don’t have to analyze – there is always going to be new information that comes in after the document was prepared, but that doesn’t mean you have to go back and rewrite the document all the time to address that new information. The question is does this adequately address the environmental impacts of the project. Now you may conclude no this one impact you don’t think is adequately addressed and you can make a recommendation to the City Council that it doesn’t, or you can find that it does adequately address, even though not perfectly, but adequately identifies the project’s significant environmental impacts, feasible way to mitigate those impacts where they can be mitigated, and adequately identifies areas where impacts cannot be mitigated.

On the indexing issue, I think the indexing issue is not a universal issue that applies across the board to all these different considerations. Some of the issues that have been discussed so far tonight don’t address CEQA. They address the Development Agreement, which is not a mitigation issue for CEQA purposes. With respect to the GO Pass I think it is worth focusing the Commission’s attention on the fact that the mitigation measure for traffic here is the overall mitigation measure is that Stanford Hospital is required to meet a 35.1 percent mode split. The GO Pass is one, and the most significant, tool for meeting that. There are I think 11 other bulleted items for meeting that, but it is not whether or not the GO Pass is valid or works perfectly on its own, but whether or not the mitigation measure of requiring Stanford to meet that 35.1 percent is feasible. If in 2025 they have not met that additional mitigation kicks in at that point in time to require that they meet it. So it is not just whether or not there is enough money in the GO Pass by itself, because the GO Pass is not a standalone mitigation measure. It is whether or not this menu of requirements, this range of requirements imposed upon Stanford, will feasibly attain the goal of achieving that 35.1 percent mode split.

Vice-Chair Lippert: Commissioner Garber.
Commissioner Garber: So I suspect that there are some Commissioners, which are struggling with the possibility that there could be a future unforeseen impact that falls outside of the adequacy that we would find today. How is that circumstance navigated?

Mr. Jarvis: There is always the possibility of something happening in the future. In terms of assessing the adequacy of this environmental document you don’t have to perfectly address unforeseeable events in the future. The purpose of CEQA is to adequately look at the information reasonably available to the City now and make determinations, reasonable determinations, based upon reasonably available information. A CEQA document is not rendered inadequate because it doesn’t adequately speculate over what might happen in the future that is just not foreseeable right now.

In order to be legally adequate it has to do a reasonable analysis.

Vice-Chair Lippert: Commissioner Martinez, did you have one last comment that you were going to follow up with? You looked as though you had something there that we interrupted you on. Okay. I have three more lights and then I think I am going to ask that we move to a vote here or at least try to move onto the next item. So with that we will go to Commissioners Keller, Fineberg, and Martinez.

Commissioner Keller: Thank you. Just a quick question. I am not sure where this fits. Will there be pre and post project traffic monitoring, periodic monitoring before the project and also after the project to see how traffic congestion or utilization increases? Will there be some sort of monitoring? Is that part of the project because that is part of the standard City process?

Mr. Williams: I don’t know that it is part of the standard City process, but it is part of the monitoring for the TDM program here to have before data and then annual or whatever the specified period is for monitoring as the project proceeds.

Commissioner Keller: So part of the TDM measures will be this periodic monitoring?

Mr. Williams: A baseline and then a specified period monitoring.

Commissioner Keller: Is there a specific list of intersections or roadway segments that are going to be monitored?

Mr. Williams: I don’t think that has been developed yet. I think that is part of the details of the monitoring working with our Transportation section.

Commissioner Keller: Okay. I would request, and this is not something that needs to be a condition or anything, it is just a request from myself and perhaps other Commissioners would join me. It would be helpful to have a map at some point in time presented to the Commission showing where the monitoring locations are, and also have on the same map showing where the Stanford University monitoring locations are. Just sort of see that picture and how hospital medical center complex monitoring works and how the Stanford monitoring works. Just a map of that given to us at some point as an information item.
Mr. Williams: I do want to clarify though that this is not the same as with the General Use Permit type of monitoring. It is not an intersection monitoring program. The City does at major intersections every year do monitoring. But this is the TDM for trip diversion type of monitoring. Now part of that may involve some intersection analysis too but it is really how many trips are coming in and out and how many are using what mode of transportation. So it is a different format than that.

Commissioner Keller: I realize we don’t have a no new net trips limitation, but it would be helpful if we had some baseline traffic data, and if we had subsequent traffic data so that we could have an idea of what the growth would be at these intersections, and if there were some sort of perimeter just for information and monitoring purposes, not as part of a condition. It would be good to keep that as a general practice going forward for this project and have that as part of our traffic surveys that we do periodically, and have the points that we define. I realize it is different than the GUP but it is helpful to have the map of both of them put together so that we can see the baselines and comment on that. Thank you.

Vice-Chair Lippert: Commissioner Fineberg followed by Martinez.

Commissioner Fineberg: I have an additional question for the City’s CEQA consultant, please. So we are focusing right now on determining the adequacy of the Final Environmental Impact Report. Part of the Environmental Impact Report on page 41 of our draft resolution, Section 10, and it continues onto page 42. I am going to read one paragraph and then my question about it.

“The City Council finds that the benefits from the amenities of the project development itself, as identified in Section 10(A) below, constitute “overriding considerations” for approval of the Project, even without the additional community benefits identified in Section 10(B) below. The City Council further finds that the additional community benefits and other payments serve as additional overriding considerations which justify approval of the Development Agreement.”

So I am confused. I thought we were supposed to focus on the adequacy of the environmental review but in the Statement of Overriding Considerations that last sentence is an additional justification for approval of the Development Agreement, and I thought the Development Agreement has nothing to do with mitigations and the Statement of Overriding Considerations and CEQA.

Mr. Jarvis: The Development Agreement is a part of the project. So for the purposes of CEQA you are looking not only at the adequacy of the Final EIR, but the CEQA Findings as a whole. As I indicated earlier, one of the findings in the CEQA Findings is that the EIR is adequate. Another finding is the Statement of Overriding Considerations. So this collectively all of the findings that CEQA requires the City Council to make before it approves the projects, A) that the EIR is adequate, B) that there are Statement of Overriding Considerations, and the various other smaller miscellaneous findings in those documents.

So with respect to your recommendation on that you are just making a recommendation as to whether or not those overriding considerations justify approval of the project not withstanding
the environmental impacts of the project. You may have a whole host of other considerations
that you may take into account with respect to the merits of the Development Agreement itself
that have nothing to do with environmental impacts, but broad policy questions. For the
purposes of this resolution you are just making a determination as to whether or not the benefits
of the project are sufficient to justify its approval notwithstanding these environmental impacts
that have not been mitigated.

Commissioner Fineberg: Thank you.

Vice-Chair Lippert: Commissioner Martinez.

Commissioner Martinez: Not withstanding Vice-Chair Lippert’s reassurance that the experts
have reviewed this and have already done all the thinking for us I think this has been a very
useful conversation tonight. I think we can address most of our concerns in the Development
Agreement and therefore I am prepared to vote to recommend approval of the Final EIR.

Vice-Chair Lippert: I have one comment and then I will allow Commissioner Keller to briefly
close. Then I would appreciate my colleagues voting on this. All I would like to say is I
somewhat agree with what Commissioner Keller said about cost of living and the cost of GO
Passes, etc. Perhaps what we need to look at is perhaps using the funds that go into say parking.
In other words if you drive a vehicle to Stanford Medical Center as your job and you use the
parking structure that enough fees are generated and those fees then go into feeding the GO
Passes. So as driving becomes more expensive you begin to weight the fact of maybe I should
be taking public transit to get there. The GO Pass subsidy may pay for some of it but not all of
it. So the thought is that it is really the market that is driving, excuse the pun please, it is the
market that is determining how people get to work at Stanford University Medical Center.

Commissioner Keller: I actually greatly appreciate what Commissioner Lippert has said. The
cost of a three-zone Caltrain pass if I were to buy it myself not as an employee of any entity is
$172.25 per month. That gets you between Palo Alto and San Francisco. That is $2,067.00 a
year, and the cost of a parking pass is considerably less than that. Although there is cost of gas
and all that stuff that is a different issue. So there is a difference between paying $155.00 per
employee for Stanford, which the employee doesn’t pay, and an employee paying $2,067.00
themselves escalated for inflation. So those are not apples and oranges. Whether Stanford
provides Go Passes in general to all the employees is cost effective overall if at least 8.33 percent
of the employees use GO Passes, use transit. Chances are that is going to be exceeded and in
fact the intent is to exceed it. I think they are expecting a mode split of about 15 percent if I
remember correctly, somewhere on that order. So we are practically double that. So it is in the
interest of Stanford to provide this overall, but there is no guarantee of this, and that is what I am
a little concerned about. If Stanford decides we are at the $1.8 million plus escalation we are
going to stop it then we have a problem and that is part of my issue.

So because I think Staff is going to get back to us, if I remember correctly. Staff is going to get
back to us on this indexing issue. My vote for the FEIR is contingent on understanding the
indexing issue, because I can’t vote for it without knowing that.
SUBSTITUTE MOTION

I am going to move to table this vote until the next meeting pending that particular question. I don’t think it will take very long but I can’t vote for it without that answer pending. So I am going to move to table.

SECOND

Commissioner Fineberg: Second.

Vice-Chair Lippert: Okay, we have a second from Commissioner Fineberg. She gets to speak to her second.

Commissioner Fineberg: I would like to make a friendly amendment that it also include a listing of….

Vice-Chair Lippert: No, no I don’t think you can do that. I think you have to stick to the tabling the motion that Commissioner Keller just made.

Commissioner Keller: A motion to table simply continues it to the next time. But it allows you to indicate what information you would like when you come back. So you can put that in your comments.

Commissioner Fineberg: Okay. As a comment, I would like to see a listing come back with the motion of what other items other than just answering that question Commissioner Garber has been pulling them together. We have had Staff answer questions. There might be a possibility for us to do straw polls and either keep or remove some of the items so that we can know what it is that we are voting with our comments when we vote it up or down.

MOTION FAILS (2-4-0-1, Commissioners Keller and Fineberg for and Commissioner Tuma recused)

Vice-Chair Lippert: Okay, so we have a motion to table and a second. All those in favor say aye. (ayes) All those opposed? (nays) Sure, go ahead.

Commissioner Tanaka: Maybe the Chair or Vice-Chair or Staff could answer this. It sounded like, and maybe I misheard, but it sounded like I think everything on that list can be addressed as a condition of approval and doesn’t really – we can still approve this and even the indexing as part of the condition of approval if I am not mistaken.

Vice-Chair Lippert: That is correct. In fact, at the end we are going to be making a final action at the end in which we can still amend some of the recommendations that we have made here tonight.

Commissioner Tanaka: Okay, so ….
Ms. Silver: Excuse me just to clarify. I think that that the case. There are two different ways to
look at it. One is certainly some of these could be incorporated into the Conditions of Approval,
and others could perhaps be incorporated into the CEQA Finding as well. The one area that does
bear some further discussion is the measuring of the housing impacts by the one-to-one
methodology proposed by ABAG. That would require a substantive revision to the EIR and the
methodology in the EIR. So that is slightly inconsistent with the actual motion to certify the
Adequacy.

Vice-Chair Lippert: So we were in the middle of our vote here and we really need to conclude
the motion to table. So we had two in support of the motion. All those opposed? (nays) We
have four so the motion does not pass.

So with that I recommend that we go to the main motion. If my second Chair would mind just
restating the motion for me so that everyone knows what we are voting on.

Commissioner Garber: I think the only thing we are voting on here is to support Staff’s
recommendation and certify the Final Environmental Impact Report and recommend adoption of
a resolution containing the CEQA Findings in a Statement of Overriding Considerations. The
other items that are on the list here he will consider as Conditions of Approval at the end of the
total action.

Vice-Chair Lippert: Great.

Commissioner Martinez: Excuse me but was the Statement of Overriding Considerations still
part of that?

Vice-Chair Lippert: It is. The revision to the overriding considerations that we …. 

Vice-Chair Lippert: It was never made as a formal either friendly amendment that was accepted
by the maker of the motion or the seconder, or made as an amendment voted on by the
Commission.

Commissioner Garber: That was my understanding. My understanding is that we can come
back to that and there will obviously be some further discussion of that because of its
relationship to the Development Agreement. Then we can also make other comments a
Condition of Approval going forward. So I am sorry if I have pulled that out and misunderstood
your intent there.

Vice-Chair Lippert: We are not intending to – we want to capture the comments that are made
this evening but we want them to move forward in the appropriate part of the actions that we are
going to be making throughout all of these documents including the Entitlements and the
Development Agreement.

Commissioner Martinez: I thought that the Statement of Overriding Considerations was part of
this approval of the Final EIR. So I am a little bit unsure. The other thing that the Vice-Chair
talked about earlier is that we will come back and have a final vote on all of these different elements or components at which time we can add amendments to those votes.

Vice-Chair Lippert: That is correct, but again what you would need to do is gain the support of a majority of the people voting here. So you would either have to offer it as a friendly amendment or an amendment that would be voted on by the Commission.

Commissioner Garber: Can the City Attorney weigh in on the topic of amendments to the motion and then additional motions that would contain Conditions of Approval?

Ms. Silver: Yes. I think at this point probably the most efficient way to act on this is if any of the Commissioners identify any issue that really substantively relates to the underlying motions it would be good to act on that issue. I think for the most part most of the conditions that you are keeping list of can be addressed in other parts of the proceedings, except for the issue that was raised about the Statement of Overriding Considerations. That really is integral to the underlying motion. So I would suggest that that issue be resolved at this point.

Commissioner Garber: So would you advise in that we are halfway through, should we suspend our voting here and then entertain a friendly amendment?

Vice-Chair Lippert: We really haven’t. I am sort of trying to get things wrapped up here. I have not formally asked for the vote.

Ms. Silver: Okay. I would recommend a friendly amendment or if not then a formal amendment.

Vice-Chair Lippert: So do you have a friendly amendment here, Commissioner Martinez, or would you like to hold that until we get to the end of our review?

Commissioner Martinez: I think we should go for it right now. I would like to recommend a friendly amendment that we amend the Statement of Overriding Considerations to eliminate the reference to community benefits and simply state two things that I referenced earlier. One is that the Stanford University Medical Center is compelled by state law SB 1953 to seismically upgrade or replace its current hospital. That is an overriding consideration. And second that the continuance of a community hospital in the City of Palo Alto is an overriding consideration.

Vice-Chair Lippert: I don’t have a problem with that. I can include that language in the Statement of Overriding Considerations.

Commissioner Garber: Staff? I will support the amendment.

Vice-Chair Lippert: Okay, last two here, Commissioner Tanaka and we will give the final word to Commissioner Keller.

Commissioner Tanaka: I have a question for Staff. I understand what Commissioner Martinez is trying to do but if we take that out, the community benefits, does that weaken our position to get
those benefits. I am sure that was put in there for a reason. Maybe that could be explained, 
because I am a little bit concerned if do take those out. The stuff for the most part has been 
negotiated and I am just trying to understand how that impacts our position.

Ms. Silver: I don’t think it would impact the negotiations at all. I think from a legal standpoint 
that it better represents the entire transaction and it is more legally defensible if the full package 
is contained in the Statement of Overriding Considerations, but again it is a policy call.

Commissioner Tanaka: So the City Attorney is saying basically that it is more legally defensible 
to have this in the agreement than not to have it, and that we put ourselves at legal risk to actual 
do as Commissioner Martinez recommends.

Ms. Silver: I wouldn’t say that we put ourselves at extreme legal risk.

Commissioner Tanaka: Not at extreme, I said more legal risk than we are today.

Ms. Silver: Yes.

Commissioner Tanaka: Okay, thank you.

Commissioner Keller: So I might have supported this resolution motion next week if I had found 
out the answer to the question of escalation. Seeing that there is no resolution at this point to 
whether escalation is going to be at a better rate, and it is not even clear whether $1.8 million 
adequately covers the projected number of employees at the current Caltrain rate I am going to 
have to say that I don’t think that the FEIR adequately handles that case. So because we have to 
vote on it today because the rest of the Commission didn’t decide to table my motion I am going 
to have to vote against it. I might have voted for it next week.

MOTION FAILS

Vice-Chair Lippert: Well, with that I think we are going to vote. So all those in favor of the 
main motion with the amendment by Commissioner Martinez please say aye. (ayes) All 
opposed? (nays) Okay, so that does not move forward.

Commissioner Tanaka: That is with the friendly amendment, right?

Vice-Chair Lippert: That is with the friendly amendment.

MOTION

So I am going to make another motion, which is to recommend Certification of the Final 
Environmental Impact Report and recommend adoption of a resolution containing the CEQA 
Findings and a Statement of Overriding Considerations. That is without the friendly amendment. 
We are not going to discuss this we are just going to vote.

Commissioner Keller: You need a second.
Vice-Chair Lippert: Would you like to second it?

Commissioner Keller: No.

SECOND

Commissioner Garber: This is a new action that is slightly less than the previous action because it does not include the friendly amendment. I will second.

MOTION PASSED (4-2-0-1, Commissioners Fineberg and Keller opposed, and Commissioner Tuma recused)

Vice-Chair Lippert: Great. Okay. I will ask all those in favor of the main motion say aye. (ayes) Opposed? (nays) Okay, the motion passes with Commissioners Tanaka, Lippert, Garber, and Martinez supporting and Commissioners Fineberg and Keller opposed, and Commissioner Tuma conflicted. Thank you.

Commissioner Garber: Through the Chair?

Vice-Chair Lippert: Please.

Commissioner Garber: I am very interested in the indexing issue as well, and I would hope that we could find a way to revisit that at our next meeting.

Vice-Chair Lippert: I agree. With that we are now three and a half hours into this. What I propose we do is I would like to try to wrap this up tonight at ten o’clock so we will just take the four things and vote on them together. What I think we should probably discuss is continuing this item, and then remaining time we can move onto the next item, and begin discussing that. So what I am looking for is a motion to continue this item until a date certain, and that would be next Wednesday, May 18th.

Commissioner Keller: If we were to continue now we would end the meeting. So we want to continue it when we get ready to end the meeting.

Vice-Chair Lippert: Okay, we can do that at the end of the meeting, fine. If that is what you prefer.

Commissioner Keller: Am I right, if we continue the item we stop talking about it and end it?

Vice-Chair Lippert: I am just looking for a date and time that we would be doing this. I don’t want to come to the end of the meeting and find….

Mr. Williams: Right now we have six o’clock next Wednesday.
Vice-Chair Lippert: Does that work for everybody? Is that agreeable? Okay. So we will continue our discussion and then we will continue this item.

Commissioner Martinez: Before we continue it I had questions for the representative from ARB and from Historic Resources. I was hoping we could get to them tonight so we wouldn’t have to ask them back. Can we ask them back for next week?

Mr. Turner: Yes, I think they are expecting to come back, planning on coming back next week.

Vice-Chair Lippert: We actually didn’t want to hold them here because we didn’t think we were going to get to that portion of the meeting tonight.

Commissioner Keller: Are we going to continue it now or are we going to talk for half an hour?

Vice-Chair Lippert: We are going to talk for half an hour. Next let’s go onto number 2, Land Use. That is the recommendation and approval of the resolution adopting changes to the Comprehensive Plan to recognize taller buildings, exclude clinic and medical school uses from citywide and area specific nonresidential growth limits, and changes to the Comprehensive Plan Land Use Map. Recommend adoption of an ordinance amending the municipal code to establish a new Hospital zone district and amending the sign code and tree code to be consistent with the Hospital Zone regulations. With that I am going to ask Steven Turner to make a brief presentation.

Mr. Turner: Just in the interest of time I think you described what Staff’s recommendation is, perhaps we should just begin discussion with the Commission. We certainly would be able to answer questions that you have.

Vice-Chair Lippert: Okay, with that we will go to Commissioner Keller followed by Martinez.

Commissioner Keller: So the first thing is I am supportive of this idea, but I have two suggestions on changes that I would like to do. One is that we exclude the proposed increase in the hospital and the medical school obviously there is no increase so that doesn’t matter. Both hospitals are included but that we exclude medical clinic space and medical office space. The medical clinic space and medical office space be deducted from the L-8 total. The reason for that is because the L-8 total, I think it is really hard to consider medical office space used by private doctors as being excluded from the cap. Clinic space has a different characteristic and much more traffic impact than hospital. Therefore any future increase would be included but the hospital and the medical school, the hospital is essentially the two hospitals would be excluded. So I just want to clarify that and do include medical clinic space and medical office space from the caps. So that is my proposal.

I think that is more consistent with my understanding of the way L-8 is described. In some sense we are thinking about something extraordinary in terms of the two hospital expansions but why would the clinic space be excluded and Palo Alto Medical Foundation not be excluded or medical office space elsewhere not be excluded. So it seems to me that hospitals exclude and
other stuff not, and only the current increase in hospitals as was suggested by a member of the public.

Vice-Chair Lippert: Okay. Commissioner Martinez followed by Fineberg.

Commissioner Martinez: I have noticed that we refer to this as Hospital Zone district, Hospital Zone, and Hospital District. Are they all the same thing, Steven?

Mr. Turner: They are.

Commissioner Martinez: Can we go through the document and sort of call it Hospital District because I think that is what the Zoning Ordinance refers to it as.

Mr. Turner: Yes, we will make sure we are consistent with the language.

Commissioner Martinez: Okay. Then secondly I sort of agree, as I usually do with Commissioner Keller, except that I think in this case that the clinics should be exempt. In this case they are very much attached to the hospitals. The clinics at Stanford really function as an extension of the hospitals. So I don’t think it makes sense to somehow categorize them the same as medical office buildings, which are basically office space.

Related to that, I am sort of uncomfortable including the Hoover Pavilion as a hospital zone. First of all it is detached from the Stanford Medical Center and it is very much attached to being part of Palo Alto. In some of the provisions in the Hospital District I don’t think I would want to apply there. So I would offer that for our consideration.

Then I have a last question. Then would the VA Hospital be eligible to be considered an HD?

Mr. Turner: No, the VA Hospital is not being considered to be rezoned to HD. It is one of those areas excluded from the area cap as shown in Map L-6, but it is not being proposed to be zoned to HD.

Mr. Williams: I will also point out it is not subject to our regulations. It is a federal installation and they have building out there. They don’t have to go through any of our processes. I think it is zoned PF right now I believe, Public Facilities, and they are not regulated by our zoning.

Commissioner Martinez: Okay. Well I am going to save my other questions for later.

Vice-Chair Lippert: Commissioner Fineberg.

Commissioner Fineberg: In general I am supportive of these amendments. I have a couple of general questions and then a few specific wording issues. As a general question, we are doing this concurrent with the Comprehensive Plan Update. Our policies L-3, L-8, and Map L-6 I don’t think are being changed substantively separate from this resolution as part of our update. That would mean that whatever we propose here will have a life the 2010-2020 Comprehensive Plan. What happens in 2020 if having nothing to do with Stanford there is a substantive rewrite
of the Comprehensive Plan, and let’s say we want to jettison L-8, or we want to double the cap, or we want to pick 20 new neighborhoods, 20 new intersections where a cap might apply, or we want to have it, whatever. Does that mean that when we then update the Comprehensive Plan citywide in 2020 whatever is approved now is just removed or could be? What are the options in 2020 based on what we vote with this resolution with this entitlement?

**Commissioner Garber:** Actually, I think this is easy. Commissioners Martinez and Garber will just simply stay on the Commission until 2020.

**Mr. Williams:** If I am understanding correctly, this is not only a rezoning and they will meet the zoning at the time they are building as well as the Development Agreement so what happens at that point in particular in time is this is exempted. If it changes and it wasn’t made exempt then it is still exists and it is legally allowed to continue, or if the project is not done being constructed yet we have a Development Agreement that allows it to proceed forward under those terms. So whatever happens in 2020 shouldn’t affect that other than if say the cap is removed entirely, even that doesn’t matter either. This is exempt from the cap.

**Ms. Silver:** Just to further amplify assuming that the Development Agreement is approved then Stanford has vested rights to develop everything that is set forth in the Development Agreement. That does not preclude you from changing the cap or other elements of the Comprehensive Plan that apply to the Hospital zone. You can still go ahead and change those elements, however, Stanford continues to have a vested right to develop the project as approved.

**Commissioner Fineberg:** Great, thank you for that clarification. On page 2 of Attachment B, under I guess it is the paragraph above Section 3. That is the best way I can describe it. It says, “The citywide 50 foot height limit has been respected in all new residential and commercial development since it was adopted in the 1970s.” Why are we inserting the word ‘residential and commercial’? I think it is somehow related to the paragraph at the top of the next page on 3 where it says that Stanford University Medical Center hospitals and clinics and medical center school uses are not intended to be treated as nonresidential development. Why are we changing the citywide Comprehensive Plan policy distinguishing residential and commercial versus simply all developments, because that will then apply to all developments in all of Palo Alto. So when we get a project that is not residential nor commercial, so I am thinking a nonprofit, this is now going to change the language in our Comprehensive Plan in that program L-3 that will apply citywide. We have not seen that language before tonight. I am not sure we understand what the impacts of it are. So I don’t understand why we are inserting that ‘residential and commercial,’ and I am not sure if it is wise.

**Ms. Silver:** I believe that this is the applicant’s requested wording. We thought that it did help clarify the term ‘nonresidential development.’ I don’t think it is crucial to this project that that particular language be clarified at this point.

**Vice-Chair Lippert:** Please wrap up your question.

**Commissioner Fineberg:** Okay. I am sorry, so is the City Attorney recommending that that language is not needed, and that we could strike it from what we approve, or that we don’t need
to worry about the legalese and the legal department will research it and change it later no matter whether we approve this or not? Where do we go? That is the same, the second part of the sentence on the top of page 3. What is the appropriate action in order to for us to get this right?

Ms. Silver: The appropriate action is if you have specific wording changes is to recommend them by motion at this point. With respect to that one issue that you raised I do not believe that it is legally required to accommodate the project and so it is a policy decision for you as to whether you accept that language or not. It was thought by Staff that it does better clarify the term nonresidential development, but again it is a policy decision.

Vice-Chair Lippert: Okay. Commissioner Garber followed by, do you have anything Commissioner Tanaka? Great.

Commissioner Garber: Several questions, but actually I just wanted to ask Commissioner Fineberg, could you state perhaps succinctly what your concern is with that item number one, and the wording there.

Commissioner Fineberg: So this is going to be a general policy, Program L-3 that applies citywide, and we are changing the language in the Comprehensive Plan to read that the 50 foot height limit has been respected in all new residential and commercial developments. Inserting the words ‘residential and commercial’ excludes the category of everything that isn’t residential, and everything that isn’t commercial. So it is kind of changing history, and now saying that we have not applied it to nonprofits, to hospital zones. If we haven’t been applying the next project that comes in that isn’t purely residential, that isn’t purely commercial, that isn’t Stanford will use that as ….

Commissioner Garber: So you are just simply saying ‘residential and commercial’ may be too restrictive when the real policy is anything.

Commissioner Fineberg: It has been applied to all new developments so if…. 

Commissioner Garber: Okay, thank you. I just wasn’t clear.

Commissioner Fineberg: Thanks you. Then that is the same point on the top paragraph of the next page where we defining a new category that it is a nonresidential – it shouldn’t be treated as a nonresidential. It is kind of like there is A or B and everything else.

Commissioner Garber: I get it. My time is ticking down, so I apologize for interrupting. The initial recommendation that is in the Staff recommendation is to include the medical clinic and the medical office space. Could you talk a little bit about that Steven, as to the pros and cons, impacts in the way of including or excluding those two in particular in the overall cap?

Mr. Turner: Well, all of those uses really contribute to the activities at the medical center, and it was Staff’s opinion that essentially everything that is within the medical center campus really should not be included as part of the overall cap. I think also it is being consistent with other
uses in the city that are not excluded such as the PAMF facility across the street on El Camino is an area that is not included in the cap. That is a clinic space as well, so to have the Stanford University Medical Center clinics be kind of consistent with the Comprehensive Plan that was pretty straightforward to understand that we should not include the clinics as part of that.

Commissioner Garber: So PAMF is both clinic and office, and because those other offices would not exist there except for the fact that they were supporting the medical center therefore they should be included as part of the whole.

Mr. Turner: That is correct.

Commissioner Garber: We have seen the Comprehensive Plan Land Use Map. Are there specific map changes? For instance where the Durand Way is going to come in, etc. that we will see later in the process?

Mr. Turner: The Durand Way land use designation doesn’t change. It would remain as is. But the two land use designations that we would change as part of this project are the areas at 701 and 703 Welch Road. Right now they have a land use of Research/Office Park and they would have a new land use of Major Institution/Special Facilities to be consistent with the rest of the medical center campus.

In addition, as part of the annexation when we would annex that small portion in that would also be annexed with a land use designation of Major Institution and Special Facility.

Commissioner Garber: Thank you. I am trying to figure out if general comments regarding for instance the approach of how Quarry Way has been developed, being proposed to be developed is perhaps better taken up in item number 4, which is the Administrative and deals with some of the other more architectural topics. I am thinking those comments are better in that section than they would be in Land Use. I will end my comments for the moment.

Vice-Chair Lippert: Okay. Commissioner Tanaka.

Commissioner Tanaka: I have a question for Staff. I asked it last time a few weeks ago when we were reviewing the Comprehensive Plan. I asked how far away are we from the cap, the 3.25 million square foot cap. I think Staff responded that we are pretty far away. So I don’t think it is limiting this project, is that correct?

Mr. Williams: I think as I recall it was such that it would essentially pretty much top out with this project. We will bring those numbers back next week and give you the specifics.

Commissioner Tanaka: Okay, that would be helpful actually.

Mr. Williams: Right. Steven just pointed out that there is also a distinction between the Area 9 of that cap and the overall citywide cap. We are easily away from the citywide cap, but it is closer with the Area 9. So we will bring that information to you next time.
Commissioner Tanaka: That would be helpful, thank you. As part of my comments last time on the Comprehensive Plan I mentioned whether we should have that cap, or why did we have that cap? If we are going to have that cap should we also have a cap for residential as well? So for me the way it reads right now is actually okay. I don’t have a big issue with it.

On Program L-3 I think City Council actually asked that we examine certain areas that make sense to be taller than the 50-foot limit. I think this project makes sense for that. I think it has already been clarified that we are still in the midst of updating the Comprehensive Plan. Once we actually figure out what the areas are we could always modify this accordingly, but this project is approved as it is, with this Comprehensive Plan Amendment. But we could change the wording.

Mr. Williams: Right, the overall policy you can adjust again citywide.

Commissioner Tanaka: Then to me I am pretty flexible on both of these items then. Thank you.

Vice-Chair Lippert: Okay, I am going to weigh in on this. I support the recommendation the way it is written here. A couple of my comments are the following. Number one, SB 375 really begins to address and look at the whole notion of compact infill development. One of the tenants of compact infill development is that you actually build to a higher density and that you avoid sprawl, meaning that you don’t have the building begin to spread out. In this case, we are actually looking at a much taller building because of the mechanical components involved and the need for interstitial space in terms of all sorts of plumbing, mechanical, ventilation, and other aspects to the building. So the height is almost an artificial representation of a greater density that doesn’t really exist. Also, the notion that the patient rooms are far more spacious in order to isolate, and they are individual rooms to avoid the spreading of disease.

My father was recently hospitalized for congestive heart failure, and he was in Miami. He was put in a single room, and still he managed to contract Mercer and died of that. That is a virulent virus that is resistant to antibiotics. So the notion of this being a taller building in some ways is artificial, but even if we were to put that aside the fact that it is located within half a mile of transit, if we were to look at higher density it is something that the City Council has already begun to look at. They have actually asked us to look at zones that are within half a mile of transit for exceeding the height limit.

California Housing Bonus Density Law actually allows for housing that meets certain standards for very low, low, and moderate-income housing to be granted additional development rights in terms of height, setbacks, and other elements. So I see this hospital zone district or this medical facility as a natural extension of those types of reliefs from our other development regulations.

With regard to the idea of it being exempt from the citywide cap, again the notion of square footage doesn’t really correlate to necessarily the occupant load or use. Even if we were to apply the City standards of one parking space per 250 square feet what you are looking at is a higher traffic load, or more cars generated per square foot. Again, that is the reason for having a cap on office space, where in this case the medical use again doesn’t sort of correlate in terms of the square footage and the use that is happening here. Then again with it being located within
proximity of transit and having other means of getting there, again you are not going to have the
traffic loads that say an office building or retail space are going to generate. So I really don’t
have a problem with the recommendation as it is currently written.

Then in closing, just one other comment I wanted to make is that in the moving of the small
medical office buildings that are there, the demolition of those, those are being actually just
moved to another location. So those are being transferred from one area to another. There really
is not necessarily an increase or gain totally of those medical office spaces.

Does Staff want to comment on any of those comments? Okay. It is now three minutes of ten. I
am going to give the final remarks to Commissioner Keller. You will have three minutes to
close out the meeting and then we will continue this item to next week.

Commissioner Keller: Thank you very much Acting Chair Lippert. It seems to me there are two
different things. First of all I believe there is increase in medical office space. It is not flat. I
believe there actually is an increase. I am suggesting that increase be considered part of the cap,
and the increase in clinic space be considered part of the cap, not the existing amount, but the
increase. I only want them to consider it part of the citywide cap not part of the Area 9 cap. The
reason for that is the clinic space and the medical office space are not part of a TDM measure.
They are really private employees. They are not hospital employees. They are people coming
from various places, a lot of transportation. Part of the reason that or my understanding that L-8
was put into effect was because of transportation impacts. It was based on a transportation study.
So I think that what this simply does is lower the overall city limit. If we are not reaching that it
should not be that much of a problem. I am not too worried about this cap for this area. I am
worried about reducing the overall city cap. That is my intent.

Secondly, with respect to Program L-3 I think that this is not the opportunity to argue general
policy issues citywide. I think this is the opportunity to argue only about, or discuss only about
the considerations for the hospital. Therefore, while the sentence that says ‘in addition,’ the last
sentence of the paragraph that is for Program L-3 is specific to the hospital that makes sense.
The addition of ‘residential and commercial’ is not germane to the hospital issue. Therefore
should be considered at the time we consider the Comprehensive Plan in general. So I would
suggest that we omit that here because it is not relevant to this. I think that we are considering
the Comprehensive Plan anyway and we will amend that as needed, but in this particular case it
is not necessary.

MOTION

I will end early by simply moving to continue this item to a date certain, a week from tonight.

Vice-Chair Lippert: Do I have a second?

SECOND

Commissioner Garber: Second.
MOTION PASSED (6-0-01, Commissioner Tuma recused)

Vice-Chair Lippert: Okay. All those in favor say aye. (ayes) Opposed? Okay.