1. Stanford University Medical Center Facilities Renewal and Replacement Project

Vice-Chair Lippert: Welcome to the Planning and Transportation Commission Special Meeting of May 18, 2011. Will the Secretary please call the roll?

Ms. Zariah Betten, Secretary: Five present.

Vice-Chair Lippert: Thank you. Commissioner Fineberg will be joining us shortly. She called and said that she was running a little bit late, and Commissioner Tuma is not with us this evening because he had to recuse himself. His wife works for Stanford University.

This is the time when members of the public may speak to any item that is not on the agenda this evening. I don’t have any cards.

ORAL COMMUNICATIONS. Members of the public may speak to any item not on the agenda with a limitation of three (3) minutes per speaker. Those who desire to speak must complete a speaker request card available from the secretary of the Commission. The Planning and Transportation Commission reserves the right to limit the oral communications period to 15 minutes.

AGENDA CHANGES, ADDITIONS AND DELETIONS. The agenda may have additional items added to it up until 72 hours prior to meeting time.

Vice-Chair Lippert: We will move to the first item of business. Tonight we are continuing our review of the Stanford University Medical Center Facilities Renewal 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 new hospital buildings, 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. We have already made our recommendation on that. Zone District: Public Facilities and Medical Office/Research.

Let the record show that Commissioner Fineberg has joined us.
We will pick up where we left off at the last meeting, last week. With that I am going to ask Staff if they would like to make a brief introduction.

UNFINISHED BUSINESS:

Public Hearing:

1. **Stanford University Medical Center Facilities Renewal and Replacement Project:**

   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. Steven Turner, Advance Planning Manager: I guess I would, thank you Chair Lippert. I just wanted to go over the two Staff recommendations under the Land Use category as described in your Staff Report. Underneath this category are the two recommendations, the first being the Comprehensive Plan Amendment and then the second being the approval of the Hospital District, a new zoning district.

   So first to the Comprehensive Plan Amendments. There are a number of adjustments that we are seeking for the Comprehensive Plan. The first a change in land use designation at 701 and 703 Welch Road from Research/Office Park to Major Institution/Special Facilities land use designation. Also, the small portion, a 0.65-acre property within Santa Clara County that would be ultimately annexed to the City would also have a land use of Major Institution/Special Facilities.

   We are also recommending changes to the text associated with one program of the Comprehensive Plan and one policy. Program L-3 is a change to identify that the Hospital zone should be an exception to the 50-foot citywide height limit due to the medical center’s unique needs. The specific wording that we are suggesting is contained both in the Staff Report and in the Comprehensive Plan Resolution Amendment.

   Second of all a clarification to Policy L-8 to specify that neither the citywide nor the Planning Area 9 cap is meant to apply to hospitals, clinics, and medical school uses. Again, those are described in more detail within your Staff Report.

   Moving then onto the Hospital District Zoning Ordinance, this is a new zoning district for the project area. Staff is proposing the “Hospital District” with the abbreviation of HD. Really the purpose of this district is to accommodate medical and educational uses, medical office, research,
clinic, and administrative facilities, and School of Medicine uses in a manner that balances the needs of hospital, clinic, and medical office and research uses with the need to minimize the impacts to surrounding areas and neighborhoods. The Hospital District would allow by right or through the issuance of a Conditional Use Permit land uses related to the functions and operations of the medical center. The proposed Hospital District Ordinance contains a list of all the uses that would be either permitted or conditional use within the HD zone.

The HD zone has a full set of development standards and I will briefly go over those for the HD site. The maximum floor area for the main SUMC site, that is the area around Welch Road, would be 1.5:1. The floor area would be calculated based upon a total contiguous area within the zone rather than a parcel-by-parcel basis. At Hoover Pavilion there is a smaller floor area maximum that is .5:1. So the HD site development regulations make a distinction between the main medical center site and the Hoover Pavilion site. So the Hoover Pavilion site would have a much smaller floor area maximum of .5:1. Items such as rooftops, basements, interstitial space, and interior areas used to enclose mechanical equipment would be excluded from the floor area calculations.

For site coverage for the Welch Road main medical center campus would be 40 percent of the site area, for Hoover Pavilion it would be 30 percent of the site area, parking facilities are not included in determining site coverage.

In terms of maximum height the main medical center height would have a maximum height of 130 feet, and at Hoover Pavilion it would be 60 feet. The helicopter pads on top of the buildings as well as the mechanical equipment areas would be excluded from the height calculations.

There are also setback requirements specifically for yards that are adjoining a street we have a minimum setback of ten feet. There are no specific standards for site area width or depth.

Another important concept within the HD district is the way that we are handling tree preservation. Tree preservation in this specific site is slightly different than other areas of the city. It has really been developed based upon the unique needs and uses within this Hospital District area. We would classify trees as either biological and/or aesthetic type values. We would also group the trees into specific categories and whether or not they posses biological and aesthetic resources, or just biological values. We have actually in the ordinance identified the specific trees that fall within each one of those groups. So it is very clear to both Staff currently and Staff in the future which trees are protected and the type of rules that would govern each of those classifications of trees. There are also specific rules about tree removal, tree replacement, and tree preservation that are also described within the district.

There are also a couple of cleanup items or changes within the rest of the Municipal Code to be consistent with the HD district. These are Title 18.10 for tree preservation, Title 16.20 for signs, and the zoning map and district boundaries as described in 18.08. That is the conclusion of Staff’s presentation on the Land Use Entitlements. Thank you.

Vice-Chair Lippert: Thank you very much. With that what I will do is open the public hearing. This is the time when members of the public may speak to this item specifically. I don’t have
any cards. So if we don’t have any speaker I will close the public hearing. I will return to the
Commission.

We left on Section 2, Land Use. We left off with Commissioner Fineberg. So Commissioner
Fineberg you have five minutes followed by Commissioner Martinez. His was the other light
that I had on when we left the meeting.

Commissioner Fineberg: Okay. In general I support the resolution. I want to state that my
understanding is that when Council adopted Policy L-8 in 1998 they, after work from Policy and
Services specifically called out an exemption that the Stanford Hospital not count towards the
caps on nonresidential development. So I would concur that getting the language right to clarify
that is a good thing. In reading the Comprehensive Plan and the maps there is a lot of ambiguity
and there are maps that didn’t get updated, that didn’t get corrected. So having it clear is good.

There are three things that I have questions about that go beyond that clarification to
categorically exempt the hospital. The first is on page 2 where I characterized it at our last
meeting as rewriting history. On page of the resolution, Attachment B, it says the citywide 50-
foot height limit has been respected in all new, and it adds the words ‘residential and commercial
development.’ That would apply generally to the city not just the hospital zone. So I would like
to – I don’t know if I need to make it as a formal motion, but I would like our vote to strike that
language of ‘residential and commercial.’ Attachment B, page 2.

Vice-Chair Lippert: Excuse me Commissioner Fineberg are you making a formal motion here?

Commissioner Fineberg: I am not sure it is appropriate for me to make a motion. Okay, I will
make a motion. I am going to hold my motion until I discuss the three items. So the first would
be though, I am just telling you about it, to strike those words on page 2 where it says ‘residential
and commercial.’

The second is on the top of page 3 where it says Stanford University Medical Center hospital,
clinics, and medical school uses are not intended to be treated as nonresidential development for
the purposes of this policy. We have never had a discussion about whether they were intended or
not to be nonresidential. Council specifically said when they voted in 1998 that it is exempt. So
if Staff could answer, if there is any reason why don’t we just say they are exempt, period. Do
we gain anything with that language? Do we lose anything?

So let me continue. The third thing is Section 4, were we say City hereby amends map L-6,
clarify – I am paraphrasing and skipping – that the hospital facilities within or near monitoring
areas are not monitored. I have concern about that ‘or near,’ because how near is near? Is that
anywhere in the city in a monitoring area? We have not analyzed or discussed or we don’t even
know the impacts of that. So my third thing is to strike that ‘or near.’ If Staff has any comments
and then I will make the motion.

Vice-Chair Lippert: Do you want to respond to this?

Mr. Turner: Yes. Commissioner Fineberg, can you repeat your second item, please?
Commissioner Fineberg: The paragraph beginning at the bottom of page 2 there is new language that says Stanford University Medical Center hospital, clinic, and medical school uses are not intended to be treated as nonresidential development for the purposes of this policy. Thus, additional growth in the areas zoned Hospital District is exempt from this policy. We could just say Stanford University Medical Center hospital, clinic, and medical school are exempt from Policy L-8, period. Unless we lose something. We have not ever discussed intentions so keep it simple, and just say it is exempt, period.

Ms. Cara Silver, Senior Assistant City Attorney: That language is fine. We were trying to tie it to the term that is currently used in L-8, which is nonresidential. I think your language is more clear. So that is fine.

Commissioner Fineberg: Okay. We don’t have any definition. We have residential and nonresidential. We don’t have a third, other. So we are sort of creating this undefined other. Do you want me to do just this resolution and not the C?

Vice-Chair Lippert: I think you need to make your motion based on what you think should be made in your motion. I have no problem with you including both recommendations there if you want, but you are the maker of the motion.

MOTION

Commissioner Fineberg: Okay. Let me move then just on Attachment B that Planning Commission move to recommend approval of the resolution of the Council of City of Palo Alto amending Programs L-3, Policy L-8, and Map L-6 of the Land Use Element of the Palo Alto Comprehensive Plan with three changes.

First on page 2 we strike the language ‘residential and commercial,’ second on page 2 the statements reads Stanford University Medical Center hospital, clinic, and medical school uses are exempt from this policy. Third, we strike in Section 4 the words ‘or near.’

SECOND

Commissioner Keller: Second.

Ms. Silver: Excuse me Chair. If we could make one suggestion on the third point to clarify that all of the hospital uses I would propose in the Hospital District rather than the language that is currently here. So instead of striking ‘or near’ we want to make sure that the Hoover site also is contained within the exemption. So that is why it was drafted the way it currently is. If we were to reword it to ‘exempt the Hospital District as a whole’ that includes both the SUMC site and main site and the Hoover site.

Commissioner Fineberg: How would you suggest changing the wording?
Ms. Silver: So it would be to clarify that all hospital facilities within the HD zone and then strike ‘or near monitoring areas.’

Commissioner Fineberg: So it would read City Council hereby amends Map L-6, Commercial Growth Monitoring Areas from the Citywide Study to clarify that hospital facilities within the HD zone are not monitored.

Ms. Silver: Correct.

Commissioner Fineberg: If I can for my personal understanding, the Hoover Pavilion is in the HD zone.

Ms. Silver: Correct.

Commissioner Fineberg: Okay, thanks.

Vice-Chair Lippert: Are you okay with that?

Commissioner Fineberg: Yes, absolutely.

Vice-Chair Lippert: Are you still seconding it?

Commissioner Keller: Yes I accept that, but I have an alternative.

Vice-Chair Lippert: Are you seconding the motion?

Commissioner Keller: Yes I am seconding the motion.

Vice-Chair Lippert: Okay, thank you. Then we will have the maker of the motion speak to the motion followed by the seconder and then we will have comments.

Commissioner Fineberg: I think I have said enough but I just want to make sure that my intention was that we are voting only on the item B and we will have a separate discussion momentarily on C, as a separate item. I am not including Attachment C in this motion.

Vice-Chair Lippert: That is clear. Okay, is that it? Okay. Commissioner Keller.

Commissioner Keller: Thank you. I think that I am certainly in agreement with the spirit of what Commissioner Fineberg has moved. I am going to suggest a friendly amendment on this. I think it is reasonable to exempt the three uses that are stated on the bottom of page 2 and the top of page 3, namely Medical Center, Hospital Clinic, and Medical School uses. That is in contrast to medical office buildings, which are community providers and things like that. We have not exempted that anywhere else in the city to basically have third party uses like that with uncontrolled growth in this area. So it seems to me that what makes sense to exempt Medical Center, Hospital, Clinic, and Medical School uses, but not to exempt medical office space that is not controlled or not used by Stanford University itself, and the Stanford University Medical
Center. In other words, third party doctors. There is a bunch of buildings there. If we put
through the policy that you are suggesting other than FAR limits those can grow uncontrollably.
It seems to me that we are not actually managing that in the right way. They need to be included
in the cap just like they are included everywhere. Palo Alto Medical Foundation is its own
entity. That is exempt, but that is an entity that is exempt. It is not the private doctors who work
elsewhere that are exempt. So to be compatible with that why should doctors who work in this
zone who are third party doctors be exempt and doctors who work elsewhere not be exempt? So
my suggestion is that rather than it not being monitored that what is not monitored is the
proposed changes to the hospital, clinic and medical school uses. But that in particular that
medical office building is monitored, medical office buildings that are – I think that is the right
term. Is that medical office, right? I think medical office buildings do count against L-8, and
that obviously we – to the extent that medical office buildings exceed the amount for L-8 now I
would allow that, but it would use it up and it would go against the citywide cap. That is my
suggestion and a friendly amendment. If the spirit of that is agreed to then we will figure out the
wording of that.

Vice-Chair Lippert: Is that acceptable to the maker?

Commissioner Fineberg: If the Chair allows, could I ask Staff for one clarification, which would
go towards whether I would agree to that amendment or not?

Vice-Chair Lippert: From a procedure point of view you can, but frankly I think that it would be
incumbent on Commissioner Keller to state what he is looking for clearly as a friendly
amendment to the motion. Then you to either accept that or not accept it, but go ahead Staff.

Commissioner Fineberg: Thank you. Thank you, Chair. What I am looking for is a clarification
of what Council approved in 1998 when they exempted Stanford from L-8. Did they restrict that
down to just hospital buildings or was the exemption of Stanford general on all Stanford lands?
The proposed amendment would change the Comprehensive Plan rather than just cleaning up the
ambiguities.

Mr. Curtis Williams, Director of Planning and Community Environment: My understanding is
the exemption applied to hospital facilities and that clinics like the Cancer Center I believe
counted against that square footage. I think one of the clarifications we would need to make is it
against the citywide cap as opposed to this area wide. Our interpretation has been basically
that the area wide, it was not intending to be applying area by area. That is one of the things that
we are trying to clarify through this exemption process.

Commissioner Keller: So my intent was first of all to exempt both hospitals, Stanford Clinic,
and the Medical School. Obviously the Medical School isn’t even changing so that doesn’t
matter, but not to exempt medical office uses from either the local cap or the citywide cap. But
that if we had to exceed the local cap I would let whatever is left over to change to zero if
necessary, but I wouldn’t want more being built without that being approved. That was what my
intent was.
Ms. Silver: We appreciate that intent and that was our original thinking as well when we looked at this. I think as we drilled down a little bit more we found that there is a lot of overlap between clinic space and medical office. Some of that space is not even programmed right now. So it is very difficult to really ferret all of that out. Also we thought that the overall intent of the Comprehensive Plan policy was really to limit the traffic impacts of increased development of course, and since the EIR for this entire project addresses all of the traffic impacts if we were to just permit the project that was analyzed by the EIR and incorporate all of the mitigation measures we are consistent with the intent of the original Comprehensive Plan policy.

Vice-Chair Lippert: If you might, I really want to try to get a friendly amendment in here. I think you have enough clarification. If you have some language you want to ask Commissioner Fineberg to include as a friendly amendment please do it, otherwise I really have to move onto another Commissioner.

Commissioner Keller: I heard that Planning Director said that the Stanford Cancer Center was not included, sorry was not exempt. So is there a reason why that was not exempt? I just want to understand the difference between that and this.

Mr. Williams: My understanding is because it wasn’t part of the hospital itself.

Commissioner Keller: And it was a clinic building.

Mr. Williams: Right. So the clinic space was not included. So right now the citywide cap has 2.0 million square feet plus left in it that basically there is nothing left in the area wide cap.

Commissioner Keller: So here is my proposed amendment, which the maker can choose to do. The underlined section of bottom of page 2 and the top of page 3 would read as Stanford University Medical Center hospital, clinic, and medical school uses exempt from this policy. However, medical office building space would continue to be monitored. That is the first part of it. I think we would not need the underlined thing underneath where it says ‘Any uses,’ because that is no longer relevant.

Then in Section 4 it would say clarify that Stanford University Medical Center hospital, clinic and medical school uses within the HD zone are not included.

Vice-Chair Lippert: Is that acceptable to the maker?

Commissioner Fineberg: I will accept that and one of the big reasons I will is because in the original policies it also included a clause that Council would periodically review it and have the ability to increase it as needed. So there is a safety valve there.

Vice-Chair Lippert: Okay, we will move onto Commissioner Martinez followed by Garber.

Commissioner Martinez: Okay. I don’t think, for reasons that the City Attorney stated, I don’t think I would support that amendment. I think it is unclear the impact of the medical office building. That is not what I wanted to talk about.
I generally support the resolution, but how do I say this, I want it to be truthful and accurate. When we say on the first page if I can read it, the EIR carefully analyzed the impacts of the buildings in the Hospital District and concluded that the architectural review process would ensure that all visual impacts associated with the proposed taller buildings in the Hospital District would be mitigated. We have a representative from the ARB here. Can we ask Heather Young how they addressed that and whether she feels they are fully mitigated? Thank you, Heather.

Ms. Heather Young, Architectural Review Board Member: We addressed that through a long series of interactions with the architects of each project and with the Stanford representatives. It was an iterative and dynamic process. It began with Study Sessions. Each project was brought forward individually. We were made acquainted with the specific site issues and specific site goals for that project. Then we were invited into the design process seeing the proposed elevations and the impacts that they would have on the adjacent spaces. They did this through a series of representations as you see behind you as well as video displays. They also brought in three-dimensional models. There was also an extensive amount of attention paid to the landscape development and the site development.

Steven has the specific numbers, but I don’t think we saw any of the projects less than five times. There was a substantial amount of time between each presentation. In general there were two Study Sessions per project where significant massing changes were typically made. For the hospital buildings the master plan was revised. One of the pods was eliminated and they modified the massing so that it was a more stepped approach as opposed to a plainer approach with a larger tower. They eliminated one of the pods and the future growth was revised to address some of the urban design concerns that we had, as well as the urban design consultant.

Once the projects moved into a formal application process we continued to convey to them feedback, which they addressed. I believe at this point all of the individual projects have been approved. There are a few minor conditions for approval, but on the whole we believe that the process was very successful.

Commissioner Martinez: Okay, thank you. Can we honestly say that we have mitigated fully the impacts of taller buildings? It is still a 130-foot high building. I would really kind of like the language to state that we have significantly improved the impact or something of that nature. I don’t know if we can do that legally or we have to be more categorically about it. It just seems to me that that is really kind of a bold statement. I am not saying that the project is unattractive or something of this nature, but I feel that this statement isn’t really completely correct the way it declares this achievement. There are some things, and I think Heather alluded to them. The Tree Preservation Alternative made the footprint smaller, made the building more compact, the choices of materials and like that. But I don’t think we can really say that you are not going to be able to see the building from Downtown or other places. So I am not sure how we can really satisfy that question. Do we have any comments from Curtis on that or Staff?

Ms. Silver: I will try taking that. The EIR statement of findings that is in your packet does make the finding that the visual impacts caused by the project will be mitigated through the ARB
process. So perhaps you could use that terminology to match with the CEQA Findings that were 
previously made. So I would suggest on line 4 of that recital you could modify it to read that the 
Architectural Review process would mitigate instead of ‘ensuring.’ So it would read, “would 
mitigate visual impacts identified as significant in the EIR,” or something like that.

Commissioner Martinez: I agree with that, and I would like to make that a friendly amendment.

I have also one other item that is a question or comment. On L-3 it stated the current policy 
about reducing the impacts of buildings on nearby buildings and like that, but it isn’t proposed to 
change that policy it is adding a narrative below. Is that really the correct procedure or do we 
really need a new policy that really addresses the higher buildings at Stanford Medical Center?

Ms. Silver: You could do it either way.

Commissioner Martinez: Do you feel confident that the narrative really modifies the policy 
significantly enough that it kind of can stand alone to support what we are trying to do?

Ms. Silver: Yes, I think it is fine.

Vice-Chair Lippert: Commissioner Martinez, would you state your friendly amendment and see 
if the maker of the motion and the seconder will accept it?

Commissioner Martinez: I would like to use the wording that the City Attorney used in 
modifying that, but I can really recall exactly. So would you repeat it for us please?

Ms. Silver: It would be to change the language in the fifth recital of Exhibit B, on the fourth line 
to read, “The Architectural Review Process would mitigate visual impacts identified in the EIR 
with respect proposed taller buildings in the Hospital District.”

Commissioner Martinez: Thank you. That is my friendly amendment.

Vice-Chair Lippert: Okay. Does the maker of the motion accept that?

Commissioner Fineberg: Accepted.

Vice-Chair Lippert: Does the seconder accept that?

Commissioner Keller: Yes.

Vice-Chair Lippert: Okay. Commissioner Garber followed by Tanaka.

Commissioner Garber: So I need some help understanding the topic of L-8 here because I am 
not entirely understanding Commissioner Keller’s concerns. It seems to me that relative to land 
use all of the land use is the same here. So why wouldn’t we exclude everything? Trying to 
guess as to what is or is not a third-party doctor it seems to me is somewhat irrelevant in that it is 
a medical center and the use is all one use. Is there a significant – does looking more closely at
the PAMF circumstance help as an example? I am asking Staff of that more specifically, and then perhaps I can have Commissioner Keller also weigh in.

Mr. Williams: I think looking at the PAMF circumstance points out exactly the sort of dilemma of sort of who is who, and how do you make those determinations, and just exempted that whole area.

Commissioner Garber: Part of Commissioner Keller’s parsing of this issue is that, and perhaps I should let Commissioner Keller speak for himself here, but at PAMF, I am not sure I am going to get at the essence of his argument, but that at PAMF you have sort of a smaller universe, more easily controlled, all one building. I am not exactly sure, but that at Stanford you have a much larger universe, harder to control, etc. Commissioner Keller, am I getting at the essence of your concern?

Commissioner Keller: Yes. Perhaps I might put a clarification by adding one word that might help. This is actually a further friendly amendment that might address the concern that you have and the concern that Commissioner … yes. Where I said that medical office building would not be exempt, to say ‘all future medical office building.’ In other words, all future additional medical office building would not be exempt. I think that that would indicate our intent that this indicates what is here, but anything that would come beyond that would have to be counted as opposed to exempting entirely the whole district.

Commissioner Garber: I think it does help, I just wonder if the existing process for adding anything would cause that to have to be revisited in any case.

Commissioner Keller: There wouldn’t be an EIR process along with any small incremental increase and therefore it should count against the overall total.

Commissioner Garber: Let me just ask Staff. In the circumstance where Stanford would come back and say we want to add another building or add onto an existing building or something of that sort would this issue not have to be reviewed in some way? You couldn’t ignore it could you? Or would it fall within the sort of envelope that we are creating here and therefore you could ignore it?

Mr. Williams: It would be a pretty substantial review because I think what is proposed right now is at the limits of how the Hospital District is designed. So you would probably have to amend the district to accommodate more growth, right? So it would be a substantial process to add another building to this.

Commissioner Garber: Or substantial square footage, even if you were adding onto something.

Mr. Williams: Anything other than a negligible amount, yes because it would be over the allowable for the district.

Commissioner Garber: Commissioner, does this explanation help you maybe see that perhaps we don’t need to go there? Adopt this sort of addition to the motion?
Commissioner Keller: Well, I think that the idea is that by having this in the motion it makes it clear that what is being proposed here is exempted but anything future is not and should count against the citywide cap. It is basically a citywide impact that we want to study further on.

Commissioner Garber: Okay. I think I am inclined at the moment, I think I am feeling much like Commissioner Martinez is and I probably wouldn’t support the motion with this in it the way it is. My sense here is that is belts and suspenders, and that there is enough process in place that we would have to address this.

I don’t want to get too procedural here. We will take action on the motion and then it will get restated or something of the sort.

Vice-Chair Lippert: Commissioner Tanaka.

Commissioner Tanaka: A lot of my questions have already been asked and answered by Commissioner Garber. I did have a question for Staff. The way it reads now or I guess the way it is proposed – let me restate. The way it reads now does it count towards that district area, the square footage?

Mr. Turner: All proposed non-hospital space would count towards the …..

Commissioner Tanaka: I guess maybe revise it. The way Commissioner Keller proposed would it count towards? I think you mentioned that the district is already full or already maxed out, is that right? Okay.

Then I probably also would not accept that friendly amendment. Those are all the questions I had. Thank you.

Vice-Chair Lippert: I feel very much the same way. I am not inclined to support the amendment. I am leaning towards not even supporting the main motion here. Part of my reasoning is that in some ways the Development Agreement and what we have here in the way of the zoning change is very much like a PC zone in which what is being proposed here is almost fixed. If any changes need to be made then what happens is then you are basically redoing the PC. So I think it gets very, very specific. It gets in a way almost mired down in what the motion is proposing here. I would prefer the language of what is suggested in the Staff recommendation here. A lot of thought has gone into it and I believe that it really ties Stanford’s hands at the same time it allows us to think of things in the future. So I am not going to support the motion here.

I have a light from Commissioner Keller followed by Commissioner Fineberg.

Commissioner Keller: So my question for Staff is suppose for discussion sake that Stanford were to propose replacing one of the buildings on Welch Road with a building that added say 50,000 square feet. Would an EIR be required?
Mr. Williams: When you say one of the buildings on Welch Road do you mean within the Hospital District? Because most of that outer part of the road is not zoned within the Hospital District, it is the Medical Office/Research Zone. That is all counted as part of the number. So those buildings out there if they were replaced then we would have to look at what kind of environmental review was necessary. If it is something that is within the – you are saying if it is something that is now proposed as part of this project were to be or within that Hospital District were to be replaced with a medical office use instead it couldn’t be any larger in terms of square footage, but if the use changed again we would have to look at the nature of that.

Commissioner Keller: I thought I understood, maybe I understood wrong, but I thought I understood that the whole area that everything, both sides of Welch Road is in the Hospital District. But what you are saying is that that is not in the Hospital District.

Mr. Williams: I was thinking maybe that is where you were going because I was going to interject before that to make sure there is a – where is the map? The map in the zoning is part of the Zoning Ordinance, attached to the Zoning Ordinance outlines the Hospital District. That out-bound of Welch Road is still, and even one parcel that is in-bound is still MOR zone. That area, those are all counted as part of the …

Commissioner Keller: So I could not figure that out by looking at that map. It is a ….

Mr. Williams: I apologize if that is not clearer.

Commissioner Keller: I wish there had been some sort of map that actually shows it a lot more clearly. Is there a map that actually shows a zoomed in area? Is that what this thing is on the back?

Mr. Turner: There is. This is Attachment C. This is the HD district regulations, and in Exhibit A, which is the last page it provides the proposed boundaries for the Hospital District.

Commissioner Keller: Is the FAR fully used up in the project as proposed?

Mr. Turner: I think there is a small amount of floor area that is available. I think it is somewhere between 30,000 and 50,000 square feet that would still be available.

Commissioner Keller: So could they expand by that amount without?

Mr. Turner: We have analyzed up to what they have proposed not the maximum zoning. So any new floor area that might come in the future would still need to go through a CEQA review process of some type.

Commissioner Keller: So anything above this would require CEQA?

Mr. Turner: Yes.
Commissioner Keller: Okay, well in that case I withdraw my amendment. That is what I wanted to understand.

Vice-Chair Lippert: Can you please state what you are specifically withdrawing because you have made several?

Commissioner Keller: I made a single friendly amendment with several changes. I withdraw the single friendly amendment.

Vice-Chair Lippert: So withdraw all of the changes that you made in that?

Commissioner Keller: That’s right.

Vice-Chair Lippert: Okay.

Commissioner Keller: Yes.

Commissioner Fineberg: I accept that and appreciate it, and had just checked with the City Attorney if I could also have withdrawn my acceptance of it. So I think we all concur. So we would go back then to the three initial changes as I stated before Commissioner Keller’s friendly amendment.

MOTION PASSED (6-0-0-1, Commissioner Tuma recused)

Vice-Chair Lippert: Okay. Did you want the floor, Commissioner Fineberg? No, okay. If that is the case, I don’t have any lights on here. So let’s vote on the main motion here as amended. All those in favor? (ayes) Opposed? That is unanimous with Commissioners Tanaka, Keller, Garber, Lippert, Martinez, and Fineberg in favor and Commissioner Tuma recusing himself.

Okay, with that let’s move onto the next recommendation here. I am going to try to move things a little bit faster here. Do I have any Commissioners that are supporting the next recommendation here? Correct, the adoption of the Ordinance. Commissioner Keller.

MOTION

Commissioner Keller: I just have one suggestion, which is pretty trivial. There is a Table 4 with a bunch of tree numbers but there is no identification of where these tree numbers are from. So I would suggest that in the ordinance it indicate that these tree numbers are from the EIR or whatever document within the EIR has those tree numbers in it. Otherwise it is losing a reference. With that single change I move the adoption of the HD district.

SECOND

Commissioner Garber: I will second.

Vice-Chair Lippert: Okay. Would the maker of the motion care to speak to his motion?
Commissioner Keller: No, I don’t think I need to speak further. I think that in conjunction with the adopting changes to the Comprehensive Plan this is consistent with that.

Vice-Chair Lippert: Does the seconder wish to speak to this?

Commissioner Garber: No.

Vice-Chair Lippert: Okay, are there any other members that wish to discuss this? Commissioner Tanaka.

Commissioner Tanaka: Last week I recommended that we have some sort of tree removal communication plan and this seems to be the appropriate section to have that in there. So I would like to make a friendly amendment. Go ahead.

Commissioner Garber: Through the Chair, let me suggest that rather than adding that to this motion I have been trying to keep track of the various other conditions or recommendations that we would like to make that we will tally at the end of the evening. Maybe we it can be a part of the conditions of approval that sort of wrap all this up.

Commissioner Tanaka: That is fine too.

Vice-Chair Lippert: So you are not making your friendly amendment?

Commissioner Tanaka: No.

Vice-Chair Lippert: Okay. Any others? Commissioner Fineberg.

Commissioner Fineberg: I have one question generally about this. In places where we are defining the Hospital Zone right now we are talking and thinking Stanford. This Hospital Zone, if I am correct, will be an allowed zone anywhere in the city if another hospital wants to come in and go through an exhaustive process creating a new hospital zone someplace else. Has Staff sufficiently had the opportunity to look at what the implications of it are, and are they comfortable that the safeguards are in place that if these rules are applied some other place in the city the city is still okay?

Mr. Williams: Yes. It is like you said, it is a monumental undertaking to use this and go in some other location where there is going to be a major hospital. We certainly don’t see that on the horizon. As we talked about last week, you have the Veteran’s VA Hospital but that is on federal land so that is not even applicable here. You have PAMF already established so it just seems like a really remote possibility. If it happened then yes they would have to go through a full EIR and everything that goes along with that. I can’t ever say that no one would ever apply to do that but it seems extremely remote.

Mr. Turner: I would add on to that in the very beginning of the proposed district, in the Purposes section, it does specifically state the Stanford Hospital and Clinics, the Lucile Packard Children’s
Hospital, the School of Medicine Buildings. So if somebody wanted to come in and propose HD
district not only would that have to go through the process but you would have to amend the HD
district regulations to include those uses other than what is already here. So that might be an
additional safeguard.

Commissioner Fineberg: Where is that citation?

Mr. Turner: That is very first paragraph. It would 18.36.010 on page 4.

Vice-Chair Lippert: Please, but I would appreciate it if Commissioners would use their lights.

Commissioner Martinez: Mine is on. What about the possibility of expanding the HD? Is that
sort of in the ordinance or a possibility?

Mr. Turner: I am not sure if we actually thought about it, but in the definition section we
actually define what the main SUMC site is and what the Hoover Pavilion site is, and include
specific parcel numbers. So again if we wanted to expand beyond those parcels we would have
to amend the HD ordinance language.

Vice-Chair Lippert: That would require a Comprehensive Plan Amendment as well as rezoning
those other parcels, correct?

Mr. Turner: It certainly might require that. Yes.

Vice-Chair Lippert: So that is part of our normal process. I have a light on from Commissioner
Keller and then I would like to try to wrap this up if we can.

Commissioner Keller: Just one quick thing. On the Exhibit A you misspelled ‘district’ in the
last word of there. So I assume you will fix that before it goes to the Council.

MOTION PASSED (6-0-0-1, Commissioner Tuma recused)

Vice-Chair Lippert: Okay, I don’t have any other lights on here. What we do is move on the
recommendation adoption of the 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, and Commissioner Keller’s amendment regarding the specific listing
of the trees, correct? Okay. All those in favor say aye. (ayes) Opposed? That passes
unanimous with Commissioners Tanaka, Keller, Garber, Lippert, Martinez, and Fineberg in
favor and Commissioner Tuma recusing himself.

With that what we will do is move onto Section 3, Entitlements. That is recommend adoption of
an ordinance approving a 30-year Development Agreement between City of Palo Alto and the
applicant that would grant rights in exchange for certain public benefits, and recommend
adoption of a Record of Land Use Action approving a Conditional Use Permit that would allow
specific hospital, medical office, and related uses in the Hospital Zone. With that I am going to
ask Steven Turner if he would make a brief presentation.
Mr. Turner: Yes, just wanted to go over briefly the two items that are contained within this Entitlements category, the Development Agreement and the Conditional Use Permit. As the Commission is aware Staff has been negotiating the terms of a Development Agreement with the project applicant for at least two years now.

Continuing with those negotiations the Staff has had four guiding principles that have really helped us in or negotiation. I believe that these were communicated to the Planning Commission in one of our updates. First and foremost really is that we are looking to minimize the fiscal impacts to the City, and making sure that the project does not have any sort of negative fiscal impact through focusing on among other things revenue guarantees and robust analysis of the long-term project expenses.

We wanted to make sure also that we required project mitigation. We would ensure that the Zoning Ordinance and Conditions of Approval would adequately address all project mitigations, and ensure that the General Fund is not burdened with long-term impacts of the project. We wanted to preserve community healthcare as something that is of value of course to the City of Palo Alto and ensure that the local benefits of the hospital and the clinics would be retained while transitioning towards more of a world-class hospital status. Then finally, also guiding us was enhancing the City infrastructure and recognizing the mutual interest in preserving the high standard of economic and community vitality as part of this project.

So as I mentioned the negotiations have been ongoing, and in the last couple of months have really ramped up to a point where we now have a Development Agreement that has been found to be acceptable by both the City and the applicant. The terms of the Development Agreement and the specific language are contained within your Staff Report. We provided a number of updates to the City Council both at the Policy and Services Committee most recently in April, the Finance Committee in March, and then we updated the City Council in January of this year regarding our status and updates.

With regard to a summary of the benefits that are included within the Development Agreement you will find a number of those starting off with healthcare benefits. There would be a payment of $3.0 million paid out over ten years to be used to assist residents of Palo Alto who have self-payment responsibilities beyond their financial means to pay healthcare services. That is modified slightly as we get into the fiscal aspect of the benefits, and I will explain that as well. The Development Agreement also provides a one-time payment of approximately $4.0 million to be used for community health-based and wellness programs.

In terms of the fiscal benefits Stanford will provide a payment of almost $2.5 million to address the projected deficit of this project as analyzed by the City’s fiscal consultant. Stanford will also obtain a direct use tax payment permit that will result in approximately $750,000 over the life of the project. Stanford will also guarantee that the City will receive no less than $8.1 million in construction use tax revenue as a proxy for potential revenue leakage. This is where the community healthcare benefits would come into play. In order to provide assurance of that guarantee Stanford would use the funds that would be originally dedicated for in and out patient services to be set aside to be increased at a rate of 4.5 percent per year through 2025 to achieve a
total of $5.6 million in the year 2025. In 2025 after the revenues have been reconciled any shortfall of revenue received as part of the construction use tax revenue would be supplemented by this fund of $5.6 million to reach that $8.1 million guarantee. Then any monies that are not needed to address that shortfall would then go back into the original purpose of the fund to provide the community healthcare benefits.

In addition, there is a very robust traffic mitigation and emphasis on reducing vehicle trips. The primary means for this is the provision of GO Pass to the local hospital employees. In addition to the GO Pass program there would be and operate four new Marguerite Shuttles to support service to and from the train station. Stanford is also going to provide a TDM Coordinator at the hospitals. The hospitals will contribute towards AC Transit, Alameda County Transit to address any potential capacity issues caused by the project mainly for the use and expansion of U-Line and also in order to lease parking spaces are Ardenwood Park and Ride to encourage employees of the hospital to use AC Transit and other transit options.

Another important benefit is the linkages between the hospital and the City of Palo Alto. Stanford is going to be paying a little over $3.0 million to include enhanced pedestrian and bicycle connections between the El Camino Real and Quarry intersection to the Intermodal Transit Center. In addition, there are also payments for infrastructure, sustainable neighborhoods and communities, and affordable housing in the amount of a little over $23.0 million, of which approximately $2.0 million represents housing fees that are required for the clinics and the balanced to be used for the City for other sustainable neighborhood and community development funds.

In addition, Stanford will be making a contribution of $12.0 million paid in equal payments for the use in projects and programs for sustainable community also timed to the construction phases of the hospital.

So all in all in terms of the community benefits the City’s package is valued at a little over $43.0 million. That includes really the pure public benefits and not the mitigations. In terms of the mitigations plus those public benefits the value of the package is close to $175 million. So that is a very brief overview of a very complex Development Agreement. I should also mention that it is not Staff’s expectation to go through the Development Agreement kind of page-by-page and line by line at this meeting. That negotiation process has already occurred between the City and Stanford. Certainly if the Commission has any overarching themes or concerns that they would like to communicate to the City Council then that would be very appropriate to do at this time.

The second element underneath the Entitlements is the Conditional Use Permit. As the Commission just saw the Hospital District contains a number of permitted uses but also a more extensive list of conditional uses within the HD zone. Those conditional uses are really related to the functioning and operation of the hospital, the clinics, the School of Medicine, and other associated land uses. So what the City is doing is proposing a single Conditional Use Permit for all of those specific uses. The details of the Conditional Use Permit are contained within your attachments. I believe it is Attachment E. Within your attachment it contains a description of all of the existing legal uses at the hospital and so this use permit would take into account all of
those uses that are occurring now as well as the uses that are being proposed as part of this
project.

Tonight at places Staff has a replacement Conditional Use Permit document that you should put
into your binder, and take out the copy that is there. The copy that is in your binder has a
number of placeholders for descriptions of uses that are taking place in each of the buildings.
Staff has more thoroughly described what those uses are. So that description is now what is
contained in the use permit that was placed at your places this evening. There are no other
significant changes to the Conditional Use Permit other than a more detailed description of those
uses.

The Conditional Use Permit also describes the findings for the issuance of the Conditional Use
Permit, as well as Conditions of Approval for the various uses that are being proposed for the
site. You can see those within the Conditional Use Permit document itself. With that that
concludes the Staff presentation. Thank you.

Vice-Chair Lippert: I am going to immediately go to the City Attorney, Cara Silver, and also
Rick Jarvis, who assisted on the Development Agreement. I know that City Council has taken
certain actions specifically the Policy and Services and the Finance Committee. Would you just
summarizing their deliberations and actions?

Ms. Silver: Sure, be happy to do so. The Finance Committee heard the matter first and was
presented with a near complete Development Agreement. The one outstanding issue and area of
disagreement between the negotiating teams at the time that the matter was presented to the
Finance Committee was the cost neutrality agreement. Most of the Finance Committee
discussion really focused on the cost neutrality agreement as the one outstanding issue. As to the
other issues and the whole package the Finance Committee was pleased with the results, but did
say that they wanted Staff and Stanford to spend more time on the cost neutrality agreement. So
the negotiating team went back to the table so to speak and did spend some more time, and a
very comprehensive cost neutrality agreement, which Steven described in his presentation, was
agreed to at the Staff level.

Then the updated Development Agreement was presented to the Policy and Services Committee
along with the negotiated cost neutrality agreement. The Policy and Services Committee also
was happy with the overall package and agreed that the cost neutrality agreement was good and
would recommend that the full Council approve the Development Agreement. So that is the
report I have.

Vice-Chair Lippert: Thank you very much. I just want to say before we open up the discussion
and any motions that because this has been reviewed by Policy and Service and the Finance
Committee our hands really are tied. Their recommendations are going to move forward
regardless of what we have to say. What probably I believe would be most important and most
relevant here is in our review of the Development Agreement if we have any specific concerns or
there are things that might have been overlooked. What I am specifically looking at here – so
what we would do is we would really be attaching those as comments more than anything to the
recommendation here. In our review, what probably comes the closest to something like this
would be the CIP, our review of the Capital Improvement Plan, where each year we look at things and we see that they are consistent with our own Comprehensive Plan and what we are doing here. There are a number of programs embodied in the Development Agreement that are improvements and we would want to make sure that when they are funded or they are financed that they are in fact consistent with our own planning practices here in the City. So with that what I am going to do are two things here. I have lights from two Commissioners, but I am going to ask if there are any Commissioners that would move either of those two recommendations first. Commissioner Garber.

**MOTION**

Commissioner Garber: Yes. I will go ahead and move that we support Staff’s recommendation to adopt an ordinance approving the 30-year Development Agreement between the City of Palo Alto and the applicant that would grant rights in exchange for certain public benefits. I will look for second and then we look to make modifications, etc.

**SECOND**

Commissioner Keller: I will second.

Vice-Chair Lippert: Okay, we have a motion by Commissioner Garber, seconded by Commissioner Keller. Does the maker of the motion wish to make any comments?

Commissioner Garber: No.

Vice-Chair Lippert: Okay, does the seconder wish to make any comments?

Commissioner Keller: Yes. I think that on the whole this is a good agreement. I have a few concerns. The first concern I have is with respect to the thing I mentioned last time, which was in regard to the TDM measure for the GO Pass. It was not only the indexing but the actual absolute amount. According to the Appendix K, page 9 of the Draft EIR it said that there are a total of 12,191 employees of which that included 257 non-SUMC providers. I assume that the non-SUMC providers would not be eligible for – this is not in our Staff Report. It is not in anything here. It is basically in documents that were given to us a couple of years ago. I was trying to figure out how many employees there are because nobody had the answer. The answer was 12,191 minus 257 non-SUMC providers. That comes out to 11,934 employees of this complex that would be eligible for the GO Pass. At the current value of $155.00 per employee per year my calculation says that comes out to $1,849,770. So the number $1.8 million should be immediately changed to $1.85 million. So my first friendly amendment is to change on page 27 where it refers to an amount for the Caltrain GO Pass and lines 3 and 4 where it says $1.8 million it says $1.85 million because that would cover the current number of employees based on the census that was described as the full build out. If somebody wants to check my math then somebody should check my math.

The second issue is I have two ways of fixing this. One way of fixing the issue of escalation is either to change the escalation amount so that it is not merely based on the San Francisco Bay
Area Consumer Price Index, the GO Pass amount. We ought to change that to a suitable thing or
we strike item B, which is Caltrain increases the cost of GO Passes. If you strike that as an
exclusion so if Caltrain increases the cost of GO Passes then Stanford still covers it. Then I
would have no problem with the escalation because the escalation of GO Passes wouldn’t be
here. I don’t know which way to handle that. Maybe Staff can respond to that.

Mr. Williams: I think we would like to let the medical center representatives explain or clarify
how this works.

Commissioner Keller: I would be happy to.

Vice-Chair Lippert: Would you mind identifying yourself.

Mr. Bill Philips, Senior Associate Vice President of Land, Buildings and Real Estate, Stanford
University: I heard your comments last time Commissioner, and sent a message to the Staff
because you came up and asked us actually how much employment existed today and how much
was planned for the future. What I did was look at exactly where you were headed after that
discussion, which was how much in terms of GO Pass do we have existing and how much will
we have in the future because the GO Pass is provided to the benefit eligible employees. So
what we calculated was a figure that emanated from the Fehr & Peers memo that looked at a
calculation, I think it was in 2008, of the existing benefit eligible employees as well as what was
projected for build out. I updated that when we did our revised proposal to the City to account
for the increase in the current population that had occurred since 2008, so between 2008 and
2011. What it came to was with current employees benefit eligible plus the build out that was
confirmed in the EIR, this was also confirmed in the application, we came to 11,500 employees
multiplied by the $155.00 per annum GO Pass, which my recollection is $1.78 something
million, which we rounded up to $1.8 million.

Commissioner Keller: Thank you. So I am looking at the Keyser Marston Associates report and
that one lists 9,880 current employees when including 151 non-SUMC providers, and 12,191 at
full build out. So I am wondering how that jives with your number.

Mr. Philips: All I did was go back to the application, the application gave the numbers that were
in the Fehr & Peers memo, which was included as part of the EIR information. I double checked
that and updated it as of January 2011. So I can stand on the numbers that we came up with
when we did our revised proposal.

Commissioner Keller: Do you have any comment on escalation?

Mr. Philips: My comment on escalation is that for purposes of an agreement escalation doesn’t
necessarily have its sole purpose as being driven by what is going to be the projected cost of that
particular item. Very often in our real estate leases what we use is something that we know is
within the range of affordability for the tenant. So we don’t necessarily use what prices are
going to increase on a particular area or in a particular area for a particular produce. We use
something like a CPI, which measures an amount that the tenant can reasonably afford and cap
that amount at that number. That is what we did here.
Commissioner Keller: So what happens if Caltrain increases their GO Pass in one year by say 15 percent as opposed to the CPI? What would you do?

Mr. Philips: Well I am not going to predict what we would do. From the standpoint of the University we have encountered increases in the GO Pass, which had been greater than the CPI. In the University’s case they have gone ahead and continued that participation with the GO Pass. That is a possibility with respect to the hospital project. Also, I think we have to have since this is going on for a very long period of time we have to have something that relates to the parties and the applicants’ ability to afford what would be a reasonable amount of increase.

Commissioner Keller: So let me just ask are the School of Medicine employees currently eligible for GO Passes?

Mr. Philips: Yes, and they do have GO Passes.

Commissioner Keller: Okay. Well, I would be happy without any change if it were clear that the GO Pass $1.8 million and the escalation applied only to the Stanford Hospital, SHC and LPCH, and not to SoM and not to non-SUMC physicians. Is that your expectation?

Mr. Philips: That was my understanding.

Vice-Chair Lippert: Would you state that as a friendly amendment to the motion then?

Commissioner Keller: Sure. So the first thing is that – let me ask this of the City Attorney because it may not need a clarification if we basically exclude the School of Medicine employees. So in terms of V where it says Caltrain GO Passes, does the specification there mean only the Stanford University Hospital and LPCH, the Children’s Hospital, and exclude the School of Medicine? Is that the interpretation?

Ms. Silver: Could you clarify what page you are on?

Commissioner Keller: I am on page 27, top of the page.

Vice-Chair Lippert: It is the big number in the middle.

Commissioner Keller: It is on the top of page 27 of Attachment D.

Ms. Silver: Hospital is a defined term. Hospital is defined on page 12 to mean SHC and LPCH. So yes, that would exclude by definition School of Medicine.

Commissioner Keller: Okay, so that is not a problem. Is the $8.1 million is that amount based on expectation that it would be repaid over a year, paid over a period of years? In other words, is the calculation based on that it would be received and understanding that it would be worth less in the future?
Ms. Silver: You are going to the construction use tax now?

Commissioner Keller: Yes.

Ms. Silver: Yes, that is correct.

Commissioner Keller: In terms of page 18, 5.A.2, the question is is there a reason that the escalation of it looks like – it says, increases by 4.5 percent per year. Is there reason that that is 4.5 percent per year? Where did that come from?

Ms. Silver: That was a negotiated term. I believe that there was a present value calculation in that 4.5 percent.

Commissioner Keller: So my suggestion for that one, and this is the only change based on the kinds of things we talked about that I would make, is that that should be based not on 4.5 percent or the CPI but instead some suitable healthcare escalation factor. Because this money is supposed to go for healthcare and as a member of the public mentioned escalation by 4.5 when healthcare actually accelerates somewhat faster hopefully will bend the cost curve down, but otherwise that is not going to be worth very much money in 15 years.

Vice-Chair Lippert: Okay, is that a friendly amendment?

Commissioner Keller: Yes.

Commissioner Garber: May I suggest that it not be? My only concern here is that I know that there has been a tremendous amount of effort that has gone into this, and for us to be weighing in on this particular item without knowing the history or what the other impacts might be I am a little concerned just to change it arbitrarily without knowing some of the history.

Commissioner Keller: I am not suggesting that we say it should be changed. I am suggesting that we ask whether it should be changed. And that our suggestion is that it be identified whether 4.5 is the appropriate amount, or whether it is better to have some suitable healthcare escalation factor that is specifically tied to that. I am assuming that the Department of Health of Human Services nationally has some calculations that they do.

Commissioner Garber: Do we need to make that part of the motion or can we add that as again our recommendations at the end of everything?

Commissioner Keller: If you want to add it to your recommendations at the end that is fine.

Commissioner Garber: Let’s do that.

Vice-Chair Lippert: Okay, so it is not part of the main motion here. Okay. With that I am going to recognize Commissioner Fineberg followed by Commissioner Tanaka.
Commissioner Fineberg: I would like to start on a procedural item. We have been Attachment E, a substitute document at places that we have not had a chance to review. If I could ask that we be given a five-minute recess at some point after we discuss this so that we can read Attachment E before we vote to approve it. Unless I have misunderstood from Staff?

Mr. Williams: Well, I think we would just point out that is the Conditional Use Permit and what has been done in there is we essentially put the project description in to plug the holes and put what the actual square footages are and all that of the various uses that were just left as a placeholder before.

Commissioner Fineberg: Understood. So in the document we were given for instance on page 3 there are three different places where it says description of uses to be added, and we had no review of those. I have not had a chance to read what those descriptions are, and before I vote on something for recommendation to Council I believe for us to do our due diligence we need to read what we are recommending and know what it is that we are. That said we can come back to that at the appropriate time.

I would like to go back to D, and just get feedback from Staff regarding Menlo Park. I believe Menlo Park is on pages 24 and 25 of Attachment D. At our last meeting we got at places from the City Attorney changed language about increasing in funds that were contributed to the City of Menlo Park. Does the current Attachment D reflect the current state of the agreement that the City and Stanford and Menlo Park have is what we have in our packet that we are going to recommend what we are really supposed to be recommending?

Ms. Silver: The substitute pages are contained in the May 11 at places memo. Since they are in redline strikeout format the pagination is a little bit off so we were not able to give you actual inserts to put into your binder.

Commissioner Fineberg: Okay, so friendly amendment to the maker then that the language that we recommend in Attachment D reflect a clerically corrected version of the redacted version of the City Attorney’s memo of May 11.

Vice-Chair Lippert: Is that acceptable to the maker?

Commissioner Garber: Yes, I think so. It is fine.

Vice-Chair Lippert: Is it acceptable to the seconder?

Commissioner Keller: Yes.

Vice-Chair Lippert: Okay, great.

Commissioner Fineberg: Thank you. Then I would also like to bring up the issue of establishing a community historic preservation fund. I checked earlier with the City Attorney’s Office and they recommended that that be included in this section. If it were to be included that it not be a Condition of Approval, that it not be in the EIR as a mitigation, but that it be in the Development
Agreement. So I would like to make a friendly amendment to add language that there be an
establishment of a community historic preservation fund, and then that that fund would allow the
project sponsor to provide historic preservation funding in consideration for severe unmitigatable
impacts to historic resources. That would be the demolition of the Stone Building.

Vice-Chair Lippert: Is that acceptable to the maker of the motion?

Commissioner Garber: I am going to ask my fellow Commissioners to weigh in.

Vice-Chair Lippert: Okay.

Commissioner Garber: Is there a discussion on this topic?

Commissioner Martinez: I think we are kind of delving into the section where we are getting in
the middle of the negations. I agree with the sentiment and the idea of such a thing, but I think it
should have come up a long time ago, been offered, and included. I think trying to make this
part of the Development Agreement at this time I don’t think is advisable.

Vice-Chair Lippert: Commissioner Tanaka.

Commissioner Tanaka: Actually, I wasn’t going to talk about that.

Vice-Chair Lippert: No, no you are weighing in on it for Commissioner Garber.

Commissioner Tanaka: So in terms of the historic fund I also agree with my fellow
Commissioners that while it is a great idea I think it is a little bit late. So I don’t necessarily see
having it today.

Vice-Chair Lippert: I have to concur with my other two Commissioners. Does the maker accept
the language or not?

Commissioner Garber: So reluctantly I am going to not. I think I may want to return to it at the
end of the evening.

Vice-Chair Lippert: Okay, with that I will recognize Commissioner Tanaka followed by
Commissioner Martinez.

Commissioner Tanaka: I have a few questions on the Development Agreement for the City
Attorney. The first of which is does this Development Agreement contemplate the impact fees
that projects normally have to pay when they do development?

Ms. Silver: It does, and it has a tiered system for payment of those fees. So if the fees are paid
up front they are paid at today’s impact fee rate. If they are paid at a later time they are paid at
the presumably higher rate.

Commissioner Tanaka: When was the last time we had our impact fees updated?
Ms. Silver: We don’t do regular updates on our impact fees. I think the most current fee nexus study that we did was on our Transportation Impact Fee, which was done four years ago. The other studies are older than that.

Commissioner Tanaka: Do you have any idea, roughly? Was it ten years or less than ten years? How long has it been since a nexus study was done on the impact fees?

Mr. Williams: Well, on the other ones it was several years before that one so it was probably seven or eight years.

Commissioner Tanaka: These are no inflation adjusted so it was set seven years ago and it stayed the same for seven years, is that right?

Mr. Williams: I believe that is true. The commercial housing fee we do adjust every year for inflation, the Housing Impact Fee. The other ones I think were set and have not been adjusted since.

Commissioner Tanaka: Okay. I also realize that we don’t want to jump into the middle of a negotiation here. So maybe perhaps we have talked about indexing, maybe on a list of indexing should also be impact fees especially since we have not updated them in seven years, at least most of them. So maybe Vice-Chair Garber, you could add that to your list. I think perhaps on the Development Agreement we will not necessarily....

Commissioner Garber: Forgive me, could I ask you to repeat it.

Commissioner Tanaka: Sure. So I was just talking about the impact fees. I heard that transportation was updated five years ago and the other ones have not been updated in probably seven or eight years. If that is the case, and then I think they are not inflation adjusted. So I think in terms of our comments at the end of the evening tonight looking at updating some of those would be a good idea, or at least have them inflation adjusted given that this is a very long project and we have not updated them in awhile.

Vice-Chair Lippert: If I might interject for just a second. My understanding is that impact fees are they not capped at the state level? No?

Ms. Silver: School impact fees are.

Vice-Chair Lippert: Okay, only school impact fees. Okay, thank you. Commissioner Martinez followed by myself and then Commissioner Fineberg.

Commissioner Martinez: I hope I can tiptoe around delving into the negotiations here. I would suggest that on page 12 to your definitions we add ‘modal split.’ When we are talking about GO Passes we talk about the responsibility of Stanford to continue to explore the 35.1 percent modal split, and I think it would be good clarify what that means.
On page 5 near the bottom we talk about streamlining the approval process. I think the only
reference I could find where what that means is on page 34 when it talks about the architectural
design review. I think in this section it also talks about Site and Design Review and that the
Planning and Transportation Commission, and Stanford is not required to go back. Correct me if
I am wrong, but isn’t Site and Design Review one of our purviews, and if that is mentioned isn’t
sort of incumbent upon us to be able to review the project for those issues?

Mr. Williams: The standard Site and Design Review process in our code does require Planning
and Transportation Commission, ARB, and Council review. Now, we do also have a level of
Site and Design Review that is considered a minor level that is only architectural review for less
significant projects. So I am not sure what the context is here. Steven, do you know?

Commissioner Martinez: It is where it states what Stanford is required to do in terms of further
design review. I think it is page 34 where I read that.

Ms. Silver: I don’t think the intent of this language was to eliminate sort of the standard process
as to future buildings that have not undergone architectural review. The bulk of the project has
gone through architectural review. So I think this provision is only dealing with the two later
phases of the FIM2 and FIM3, the School of Medicine and the medical office buildings.

Commissioner Martinez: I understand that but you might just want to clarify the language, refer
to it as minor Site and Design Review or however is appropriate. If the intention is that it does
not come back to us that we don’t put language that would require it to come back to us.

Also, page 24 regarding the payments to Menlo Park, on paragraph C the word ‘pay’ is missing.
I think Menlo Park would appreciate it if we put ‘pay’ back in there. Item C, page 24.

Commissioner Garber: So after the word ‘shall’ and before the word ‘to.’

Commissioner Martinez: Yes, shall pay to.

Vice-Chair Lippert: Any other comments?

Commissioner Martinez: One last thing. We are making, in part of the agreement, payments to
Menlo Park as part of it. Shouldn’t there be some reference to an agreement with Menlo Park
that this is the appropriate amount to be paid, or is that covered somewhere else?

Ms. Silver: Again, the language dealing with Menlo Park is in the May 11 memo, and that does
refer to a side agreement with Menlo Park. So these conditions are both enforceable through a
separate agreement between Stanford and Menlo Park, and also enforceable through the
Development Agreement with Palo Alto.

Commissioner Martinez: Okay, thank you.

Vice-Chair Lippert: I have a couple of comments that I would like to make. First of all, with
regard to Commissioner Keller’s previous two comments, one was regarding the fees that are
paid in the GO Passes as well as the cost of living increase or the cost of healthcare increases I think that they are appropriate. I think that they are starting points. But what concerns me more than anything is the whole healthcare industry is in flux right now. With universal healthcare that $3.0 million may go a long way or if universal healthcare doesn’t move forward it is going to be a pittance. It is not going to amount to very much. What concerns me more than anything is Stanford University Medical Center’s nonprofit status and the hospital maintaining that. There was talk the other day about Medicare evaporating more quickly than what the government had projected. If that fund does evaporate we are all going to have a lot of problems when it comes to paying for healthcare. So that is a real big concern. What I would want to do is make sure that in the Conditional Use Permit, which is the next portion that we are looking at here, that some sort of language is included that the hospital entitlement is really based on and includes the Stanford University Medical Center maintain its not for profit status. Once or if it ever became a for profit entity then the whole Conditional Use Permit would be up for review. I am sorry, that would also include the Children’s Hospital as well.

My second concern is with regard to the GO Passes. I am not terribly concerned about the amount of money that Stanford is putting into the GO Passes. My big concern really has to do with the people that are driving to the hospital. I think that the 25 modal split penalty begins to address that, but one of the things that really I think more than anything is the driver, excuse the pun, of this is paid parking. What is important I believe, well let me digress a little bit here. Currently, there are people that work in the medical office buildings along Welch Road, and they park in the parking lot at Nordstrom department store. They get there very early in the morning to avoid parking or having to pay for parking either in the hospital lot or using the spaces that are meant for patients in the medical office building strip there. I would really like to see them gotten out of their cars, but there is not much I can do here at this meeting because we are not looking at that zone. What we are looking at is the hospital zone. So there are two things that really have to happen. Either people are getting GO Passes and they are coming on public transportation or they are paying for parking, and they are paying for gas, and they are paying for everything associated with driving. That is going to be the stick to the carrot to get people to use public transit. So what I would want to see is perhaps something in the Development Agreement, something along the lines that after the paid parking going into the cost or the capital improvements of building the parking structure, then those monies then go into additional monies for the GO Passes. I think that is a reasonable thing to ask.

So that is not in any way a friendly amendment. I am making that very clear. None of these are friendly amendments. They are comments only. Hopefully they will be captured and the City Council will be able to act on those.

With that I am going to go to Commissioner Fineberg, and then I am going to give Commissioner Keller the last word, and then we are going to vote on this motion. So Commissioner Fineberg you have one minute.

Commissioner Fineberg: Some procedural questions. On Attachment E, the new version that was at places today that we have not had a chance to review, page 8 it lists the Conditions of Approval. If we approve Attachment E can we come back and add Conditions of Approval later at our discussion?
Vice-Chair Lippert: We are not on that section yet. We don’t have a recommendation to move that forward. We are only moving on the adoption of the 30-year Development Agreement. That is all we are doing right now. So as a point of order I am going to pass.

Commissioner Fineberg: I am sorry I misunderstood. I thought the initial motion included everything in the Entitlements section, which was D and E. I will come back then.

Vice-Chair Lippert: Commissioner Keller, you have one minute.

Commissioner Keller: Sure, very quickly. It seems to me – I am very sympathetic with the suggestion that the Acting Chair mentioned and that is in terms of GO Passes. I am wondering if Stanford, as a recommendation not as something that is in the motion, would consider a way to figure out how to extend GO Pass through the Stanford umbrella for the physicians and the employees of the medical office buildings around there somehow. There is potential for creating employment districts that might go under Caltrain. I am not sure how that would work, maybe by creating appropriate surcharge on that space. Something might be worth considering if you can figure out how to do it that might help as well.

I am in agreement with the idea suggested by Commissioner Martinez of striking ‘and/or Site and Design Review,’ and also striking ‘or Site and Design Review’ on the appropriate lines of paragraph G, on page 34. Site and Design Review is not architectural review. Those are separate processes and so that exclusion doesn’t make sense.

Vice-Chair Lippert: Okay, with that we are going to vote on the main motion, which is the recommendation of adoption of an ordinance approving a 30-year Development Agreement between the City of Palo Alto and applicant that would grant rights in exchange for certain public benefits. My understanding is that we have captured a number of comments here. Do you want to read through those comments quickly or do we want to add those at the end of our discussion?

Commissioner Garber: I am thinking, and it doesn’t really matter to me how we do it, but I was thinking that we would try and capture all of these as perhaps a separate motion that takes the form of recommendations to Council that is our basket that captures all of these different topics.

MOTION PASSED (6-0-0-1, Commissioner Tuma recused)

Vice-Chair Lippert: I agree. So with that we are voting on the motion. All those in favor say aye. (ayes) Opposed? That passes unanimously with Commissioner Tanaka, Keller, Lippert, Garber, Martinez, and Fineberg all voting in support of the recommendation, and Commissioner Tuma abstaining.

Commissioner Garber: Shall we take a five-minute break?

Vice-Chair Lippert: We are going to take a five-minute break at Commissioner Fineberg’s request so she can read the document, and then we can take action on that.
Okay, with that we are going to move on recommend adoption of a Record of Land Use Action approving a Conditional Use Permit that would allow specific hospital, medical office, and related uses in the Hospital Zone. I am just going to start off by asking if anyone has a motion here. Commissioner Tanaka.

**MOTION**

Commissioner Tanaka: Thank you. I would like to follow Staff’s recommendation that we recommend adoption of a Record of Land Use Action approving a Conditional Use Permit that would allow specific hospital, medical office, and related uses in the Hospital Zone.

Vice-Chair Lippert: Do I have a second?

**SECOND**

Commissioner Garber: I will second.

Vice-Chair Lippert: Does the maker of the motion have anything to say?

Commissioner Tanaka: Not right now?

Vice-Chair Lippert: Okay. The seconder?

Commissioner Garber: I do not.

Vice-Chair Lippert: Okay. Any of the other Commissioners wish to weigh in on this? We have lost Commissioner Fineberg. Commissioner Keller.

Commissioner Keller: I am just trying to figure out why on page 4 and page 5 main SUMC site and Hoover Pavilion site are bolded. Is that supposed to be bold? Just as a comment, it doesn’t seem like it. It seems like a funny place for bolding in the middle there.

Mr. Turner: The intent is not to bold that text. So that will be cleaned up before Council.

Commissioner Keller: No, I am not going to offer a friendly amendment. I was just curious about that. I was wondering if there was a meaning that that I didn’t see. Thank you.

Vice-Chair Lippert: Okay. We have a motion on the table and a second. Do you have any comments, Commissioner Fineberg?

Commissioner Fineberg: Yes I do. Question for the City Attorney Staff. On page 8 in Section E it lists the Conditions of Approval. If we move to approve this can there be additional Conditions of Approval added after our subsequent discussions when we have this giant master list? Or if we have a Condition of Approval does it need to be added before we vote to accept Attachment E?
Ms. Silver: The framework that you have set out at the beginning of this process was that you reserve the right to add on additional conditions after the individual votes. So I think in the spirit of that it would be fine to approve the motion now and then later go back and add or supplement the conditions.

Vice-Chair Lippert: Commissioner Garber.

Commissioner Garber: Just to clarify, with both the attorney and the Commissioner here, unless I am misunderstanding the Section 6, on page 8, the Conditions of Approval are related specifically to the Conditional Use Permit, which this is. Those are laid out on pages 8, 9, 10, and 11. Those conditions are specific to the permit. The other things, the list I am keeping is for the entire action. It is a collection of all the miscellaneous stuff. So if you have a specific condition that you think should be considered that is specific to this document, I just want to make that clarification. We can parse as to whether it should be part of this or we should pull it out as separate, or whatever else if there is something specific. Does that make sense?

Commissioner Fineberg: It does, and I just wanted to make sure that by acting on each item we were not legally closing a window to then attach it later. So I am fine with that.

Vice-Chair Lippert: I have one comment. Previously I made the comment with regard to Stanford University Medical Center and Lucile Packard Children’s Hospital both being nonprofit entities. We do have certain land use designations that do allow for nonprofit entities to function within certain zones subject to Conditional Use Permit. What I am thinking specifically of is I believe that in the RM-30 zone for instance we allow for nonprofit entities to operate in that zone with a Conditional Use Permit. Is it appropriate to say that in this case the Hospital Zone that this Conditional Use Permit be subject to Stanford University Medical Center and Lucile Packard Children’s Hospital maintain their nonprofit status, and if they do at some point in the future become a profit entity that in fact not the Conditional Use Permit is revoked but it is subject to review.

Mr. Williams: I don’t feel like that is necessary. Also, the sections we have in our code don’t generally refer to Conditional Use Permits for nonprofit uses. It is usually for churches and that, and it doesn’t specifically say nonprofit. So it is just some different types of miscellaneous uses. Now they may frequently be nonprofit but it doesn’t make that specific distinction. That would be such a major transformation here. I just don’t think it is necessary to do that.

Vice-Chair Lippert: Okay. I guess where I am going with this is I have given a picture of universal healthcare, which may or may not happen, and fulfilling a community need. I guess what I am looking at here is if in fact – we see hospital mergers all the time. In fact, I think Stanford University Medical Center at one time had merged with UCSF and then broke apart. So it is not unrealistic if Stanford University Medical Center or Lucile Packard decided not to be a nonprofit anymore there might be somebody else who might stand in to be the hospital operator in fact, who might be another nonprofit entity. Commissioner Garber.
Commissioner Garber: Interesting thread here but let me just ask you even if the nature of the entity changed the use wouldn’t change. So what is the potential impact relative to the action that we are focused on here?

Vice-Chair Lippert: I think that is an excellent question. My concern is that this is a world-class medical facility that we are approving here. This is something that I think as Commissioner Keller has identified numerous times that is going to be drawing people from around the world, it is going to be performing research, it is going to be providing state-of-the-art technology and maybe even the innovators of state-of-the-art technology. What I am afraid it is going to begin to lose perhaps, if its core mission which is the servicing people on the peninsula and in Palo Alto. So what I am looking at here is its core function being really a hospital that is serving the community, and that everything else associated with it is ancillary. What I am thinking of again is that if you look at Palo Alto Medical Foundation, which is an organization, which is a subsidiary of Sutter Health, Sutter Health runs a number of for profit hospitals. PAMF is a not for profit entity. So what I am looking for is to preserve along with the Conditional Use Permit entitlement, not the zone entitlement of a hospital functioning there, but the Conditional Use Permit is that that be tied to specifically nonprofit hospital.

Commissioner Garber: I was just trying to scan very quickly, which I rarely do very well, down each of the categories that are in the use permit. Staff, are there specific line items that would be impacted in some way by a change of this nature?

Mr. Williams: I don’t think so, not as far as the use permit criteria itself or conditions. Like you said it really goes with the use. The other thing to point out is if it became a for profit we would get property taxes. It wouldn’t necessarily be a bad thing for the City.

Commissioner Garber: I see so there is a hidden agenda to get them to be that way. You are a sly fox.

Vice-Chair Lippert: I am smarter than I know. Commissioner Keller followed by Commissioner Fineberg.

Commissioner Keller: So firstly in addressing the thing that our Acting Chair Lippert brought up, my understanding is that when a not for profit entity becomes a for profit entity they have to give the fair market value of their not for profit status for charitable causes, whatever those turn out to be in addition to the thing that Planning Director Williams mentioned, which is that their lands would then be subject to property tax.

I think the way to handle the intent of what Commissioner Lippert specified is actually in the Development Agreement. This is a question for the City Attorney. My understanding is that an agreement can be made assumable by successor entities or not assumable by successor entities. If the Development Agreement is not assumable by successor entities then if it changed from not for profit status to for profit status it would be a successor entity that would be acquiring the assets of the hospital, etc. Therefore by conditioning the Development Agreement as not being assumable that would handle what I believe is Chair Lippert’s intent.
Ms. Silver: You could include some language there. Of course once the project was built out there wouldn’t be a need for the Development Agreement any more. So then the permit that would be granted would run with the land. So it wouldn’t completely address that concern.

Again, I think this is a larger policy discussion. It is an economic decision that has many different ramifications both for the applicant and for the City. It would require considerable research for Staff really to make a recommendation on that issue at this point.

Commissioner Keller: So let me address the other thing, which I originally wanted to speak about which is Condition of Approval 13 is curious because it was added to the Record of Land Use Action that we have been given today compared to the Record of Land Use Action in the Staff Report. This is on page 11 of the attachment we have been handed today, dated May 18. In particular, it says the requirements of the mitigation measure TR2.3 pertaining to the purchase of GO Passes also extends to all clinic/office employees who work more than 20 hours per week at the new SHC clinic office buildings. Then it is limited to the main SUMC site, which seems curious to me. I am wondering why it is limited to the main SUMC site and why it should not include also the Hoover Pavilion site.

Ms. Silver: That particular condition was used to address the clinic space at the main SUMC site that has not yet gone through architectural approval. So we wanted to make sure that the TDM program that applied would apply to that clinic and office space. Since the programming had not yet been defined through the architectural review process and better articulated this is a safeguard to ensure that that space will be occupied by SUMC employees, and so the TDM program mitigation measures would apply.

Commissioner Keller: Well, what is confusing to me about that is this basically says everybody within SUMC main site counts and people at Hoover don’t count. To me it should have nothing about architectural review it should have to do with employees anywhere within this zone. So I would suggest, and I am not sure how to handle this, but I would suggest that first of all strike the 429,000 GSF and just simply say both the main site and the Hoover Pavilion site, both sites. I really don’t see how architectural review has anything to do with whether people should be eligible for the GO Pass. That doesn’t make any sense to me at all.

Vice-Chair Lippert: Is that a friendly amendment?

Commissioner Keller: I guess it is a friendly amendment.

Mr. Turner: Commissioner Lippert, maybe to add onto what Attorney, Cara Silver mentioned as well, and perhaps the Stanford applicant can clarify this as well is that the employees at the Hoover site are mainly connected with the community practitioners that would be moving to the new medical office building that is proposed there, as well as the renovated Hoover Pavilion. I think the GO Pass is intended to apply to hospital employees and clinic employees that are employees of the Stanford hospitals and clinics, but not necessarily to the community practitioners that would be located at the Hoover Pavilion site. So I think that is a reason why Hoover is not part of that particular condition.
Commissioner Keller: I understand what you say, but it says for existing and new hospital employees shall apply to all clinic/office employees who work more than 20 hours a week. So there is no exclusion there about community physicians. It is just people who work more than 20 hours a week and are clinic/office employees. So I really don’t understand how that language really addresses the issue you are raising.

Mr. Turner: Well it does say 20 hours per week at the new SHC clinic/office buildings so it makes it very specific that it is the SHC employees not employees associated with community practitioners.

Commissioner Keller: No, it simply says their place of employment not who they work for.

Mr. Williams: Where are you?

Commissioner Keller: On page 11, paragraph 13 on the bottom.

Mr. Williams: So it says at the new SHC clinic/office buildings. So you are saying you don’t see – the last line of the page doesn’t say 20 hours per week at the new SHC clinic/office buildings?

Commissioner Keller: It basically says where they work not who their employer is.

Mr. Williams: Oh.

Mr. Turner: Maybe the Stanford applicant can come up and give some explanation about who is actually working at the Stanford hospital and clinics and who is not.

Vice-Chair Lippert: If you wouldn’t mind identifying yourself. Thank you.

Ms. Barbara Schussman, Outside Land Use Council for Stanford and the hospitals: Employees at the SHC clinics on the main site would be SHC employees. So all of the employees at those clinics would be hospital employees.

Commissioner Keller: So then why is there language here – then why is this necessary at all? It seems to be written here for a reason.

Ms. Schussman: We were asked that question and this was meant to clarify that exact issue that the employees at those buildings would be hospital employees subject to the GO Pass. Not all the employees at the Hoover Pavilion site would be hospital employees.

Commissioner Keller: So are you saying that everybody who works at least 20 hours a week at these sites are actual direct employees of SHC or LPCH?

Ms. Schussman: It would be possible there could be some School of Medicine but they also get the GO Pass.
Commissioner Keller: Okay, but no person who is not a direct employee of three entities would be working at least 20 hours per week at this site?

Ms. Schussman: That is my understanding.

Commissioner Keller: Alright. So for people who are SHC employees or LPCH or SoM employees who are located at the Hoover Pavilion site they would be counted through the ordinary process.

Ms. Schussman: Yes.

Commissioner Keller: Okay, thank you.

Vice-Chair Lippert: Commissioner Fineberg.

Commissioner Fineberg: Thank you. I think just as a follow up on this I kind of see the issue that Commissioner Keller is talking about as one of set theory. This is an additional subset that the TDM will apply to and there is other language somewhere else that is the bigger set. So the two, if I am correct, add together to cover who gets, is eligible, or required to have access to the TDM. So where is the language for that bigger group that isn’t this new little set that we are calling out specifically? Does that language of who the big group is need to be in the operation section?

Ms. Silver: The big group is defined in Mitigation Measure TR2.3. The Conditions of Approval incorporate by reference TR2.3. So I don’t think further clarification is needed.

Commissioner Fineberg: Okay, that’s great. That was it for me. Thank you.

Vice-Chair Lippert: Okay, I have no other lights. So with that …..

Commissioner Fineberg: I am sorry I lost my train of thought. Thank you for the Chair’s forbearance.

Vice-Chair Lippert: You just spoke. Okay.

Commissioner Fineberg: In the last round where we went, which is why I had actually pushed my light, Commissioner Garber had made a comment about specific Conditions of Approval relating to this section only and it jogged my mind to ask is this the appropriate section, under either Construction or some other section in here to include Commissioner Tanaka’s concept of the communication for the tree removal. We have on page 7, section 4. No I am sorry that is the findings. Forgive me I am just not that familiar with this document. Under the section where it talks about construction would that be the appropriate place to insert a tree removal communication plan?
Ms. Silver: Curtis and I were just discussing that and we think that actually it would be a good place. We would also suggest that it be included in the architectural review approval. So both places would be appropriate.

Commissioner Fineberg: So can I make a friendly amendment of what she said?

Commissioner Garber: Can I suggest language? That is that there is a communication plan of the construction activities that includes tree removal.

Commissioner Keller: So is that number six?

Commissioner Garber: Yes it would be in addition to six, perhaps item number E.

Vice-Chair Lippert: Okay, so does the maker of the motion accept the language?

Commissioner Tanaka: That is a good catch, so I do accept that. Thank you.

Vice-Chair Lippert: Okay, and does that capture what you were getting at originally?

Commissioner Tanaka: I think so, yes. I wanted to cover both the communication of the construction that is going to be happening as well as the communication of the tree removal. I think the way Commissioner Garber phrased makes sense.

Vice-Chair Lippert: Okay. Obviously you accept the language.

Commissioner Garber: Yes.

MOTION PASSED (6-0-0-1, Commissioner Tuma recused)

Vice-Chair Lippert: Okay. So with that we will vote on the motion including the friendly amendment made by Commissioner Garber. All those in favor say aye. (ayes) Opposed? That passes unanimously with Commissioners Tanaka, Keller, Lippert, Garber, Martinez, and Fineberg in favor and Commissioner Tuma recusing himself.

Okay, with that we will move onto Administrative. Recommend adoption of a Resolution annexing an approximate 0.65-acre site from Santa Clara County. Recommend acceptance of SUMC Area Plan Update. Recommend Architectural Review Board findings and Historic Resources Board comments and forwarding to the City Council. With that I am going to ask Steven Turner to make a quick introduction and then we are going to go to Stanford who is going to do an architectural flythrough on the project.

Mr. Turner: Thank you, Chair Lippert. Just to summarize the three recommendations under the Administrative section starting with the annexation. As you are aware as part of construction of the FIM1 building there would need to be a 0.65-acre portion of land that is immediately adjacent to Governor’s Lane and Pasteur Drive that is currently in Santa Clara County that would be annexed to the City of Palo Alto. As part of your recommendation earlier you have
recommended that that site contain the medical land use that is consistent with the main SUMC campus. The site would also need to be pre-zoned to be consistent with the main medical center campus as well. If the City of Palo Alto supports the annexation at the City Council level the process with Santa Clara County and the Local Agency Formation Commission, known as LAFCO, is a ministerial process. So it is a pretty straightforward resolution that we are proposing as part of annexation.

The second Administrative item is review and Board recommendation for acceptance of the Area Plan. The requirement to prepare an Area Plan is contained in Program L-6 of the City’s Comprehensive Plan, which states that Stanford shall work to prepare a plan for the Stanford University Medical Center. The Area Plan for the medical center should address building locations, floor area ratios, height limits, and parking requirements. It should discuss preservation of historic and open space resources, and protections of views and view corridors. The plan should also describe the improvements to the streetscape and circulation pattern that will improve pedestrian, bicycle, transit, and connections. The City Staff and Stanford University applicants have been cooperatively preparing the document. The Planning Commission saw an early version of the Area Plan, very early in the process in 2007. Staff and the applicant had prepared that Area Plan prior to the submittal of the project application.

Although it was not finalized at that time the Planning and Transportation Commission and City Council felt that the Area Plan was going in the right direction. It is really a guidance document for the City and for the Stanford and for the public to provide an overview and context for the future development at the medical center. It is not a specific plan. It is not intended to establish land use or development policies or standards, and it is not intended to supercede any of those policies, regulations, or requirements of the Comprehensive Plan or the Municipal Code. It doesn’t have any sort of mitigation measures, or project impacts, or specify any sort of specific community benefits outside of the immediate scope of the project. So it sounds like the Area Plan itself really doesn’t have a lot of teeth but it is a useful exercise, and has been a useful exercise for Staff and Stanford to complete the Area Plan as per the requirements of the Comprehensive Plan to really understand how the medical center will be developed.

A companion document with the Area Plan that you will see a little bit later on is the Design Guidelines that have been established and reviewed the Architectural Review Board. The Design Guidelines could be seen as perhaps an implementation document of the Area Plan. It contains a lot more detail and analysis of how the medical center will develop over time and the inputs that were analyzed toward that development. It really goes into a lot of detail about the connective elements between the components of the project, and provides a lot of detail and tools for Staff to use as we review the project going forward. So that is a little bit about the Area Plan.

Then finally the Architectural and Historic Resources Board reviews. As very nicely summarized by Board Member Young, Staff and the ARB and the applicant have been really reviewing these projects over a four-year period. In the Staff Report it contains an interesting table about the level of review that each project component received throughout the review process. The ARB Members evaluated each of the project components of the proposed design against the Architectural Review Findings that are required for all projects, and those are listed in your Staff Report as well as how Staff and the ARB felt that the projects meet those findings.
As I mentioned previously the Design Guideline document was prepared to express the similarities and differences of the new projects components versus the existing buildings there and how they could contribute to a cohesive identity over the entire site. That process including the review of the project components and the Design Guidelines concluded in April of this year, and the ARB recommended approval of all of the project components with recommended Architectural Conditions of Approval, which are also contained as part of the ARB Resolution.

As you are aware, the project has really been refined and revised over this period. As I mentioned last week, probably the greatest part of change came with the adoption of the Tree Preservation Alternative. That is now the applicant’s preferred site plan and the site plan moving forward. As I mentioned previously the components of that were eliminating a tower from the Kaplan Lawn area and preserving the nine oaks in that grassy area. The floor area was able to be captured inside the footprint of the other building modules.

There was also a change to the parking plan for the parking garage off of Welch Road to include a conference center, and wellness center up on the third floor of the parking garage that is connected to the hospital. That parking garage has also been setback further from Welch Road to provide more of a buffer between cars and pedestrians and the building. There has been a lot of landscaping and site planning aspects that have been revised over the years. Our urban design review consultant, Bruce Fukuji, has really assisted Staff and the ARB in reviewing the site planning for the projects. Many of Bruce’s recommendations ultimately made it into the final designs that you see as part of the plans on your CD.

We also discussed a lot about tree protection and tree removal and tree placement. Those discussions ultimately formed the regulations that are contained within the Hospital District as well. So those are just some examples of how the project has changed and responded to the architectural review process. Certainly as part of that process that was defined in the EIR as being mitigation for the visual quality impacts. So the Board really reviewed the project for consistency with the architectural review guidelines and consistency with those guidelines would be determined to reduce any sort of visual impacts to a less than significant level.

Finally, the Historic Resources Board also reviewed the aspects of the project related to the Hoover Pavilion renovation. The Hoover Pavilion and the Stone Building are not on the City’s Historic Inventory so our Municipal Code really restricts the participation and the purview of the HRB to only buildings on the Inventory. However, Staff believed that the HRB could really provide a lot of very good input with regard to the restoration work for Hoover Pavilion. That is where they focused a lot of their review. They also reviewed the adjacent parking structure and the medical office building as it contextually related to the Hoover Pavilion. So the HRB had three opportunities to review those projects.

Ultimately, they did make a recommendation but their comments suggested that they were in support of the project, that although the medical office building would block a significant view of Hoover Pavilion, and would not be consistent with a few of those Secretary of the Interior’s Standards they agreed with the historic consultant, ARG, that overall the Hoover Pavilion would retain significant character defining features to be eligible for the California Register of Historic Places. As part of their recommendation the HRB felt that in order to improve the overall look
of Hoover Pavilion and bring more attention and prominence to the corner feature of Hoover Pavilion that the previously installed finial, which had been removed some time ago, be rebuilt and replaced on the building. And that by doing so, a lot of the focus would return to that corner thereby in a way mitigating some of the views that would be lost with the construction of the medical office building.

So we have Heather Young from the ARB here to answer any questions you may have. I think Beth Bunnenberg is also still in the audience from the HRB. Bruce Fukuji is here as well, so he can answer any questions that you have. Thank you.’

Vice-Chair Lippert: Great. With that we will move to Stanford University and let them make their presentation and fly through. Then we will return to our Board for either a motion or recommendation. Will you identify yourself, please?

Mr. Mark Tortorich, Vice President of Design and Construction, Stanford Medical Center: Thank you, Chair Lippert. Well, Commissioners this is a pretty important evening for us to show to you the conclusion of our journey through the architectural review process.

Before starting I really would like to thank the members of the Architectural Review Board, Heather representing the Board, for providing very thoughtful input and guidance to the designs here. I think you will see a lot of their comments reflected. Thank Bruce Fukuji for providing some expert peer review. But I would also really like to thank Steven Turner. He has really stepped up here in this process to really help guide us through the efforts. I think he and Zach Pozner from my staff have really created a very successful collaboration to bring all of these materials to you tonight so that you can make a thoughtful, organized decision about the issues that are brought before you. So I just really think they have done an outstanding job and hopefully you will agree with the results.

So let me get started, quickly. So you have seen obviously the rationale for the project before. We clearly need seismically safe facilities. We need to replace facilities that are functionally obsolete built in the Eisenhower era and in the 1970s. We need to increase the demand for hospital beds in our community, and we need to support integrated research and patient care here on the Stanford campus.

Guiding principles for our renewal planning and design. Obviously we need modern facilities that integrate with the landscape. Stanford is one of the great landscaped campuses in the world. The Children’s Hospital is really one of the great landscaped buildings in healthcare. So we really wanted to leverage that legacy into these facilities. Obviously strive for energy efficiency and environmental sustainability. Preserve the landscape wherever possible, which is the reason why we are building taller buildings instead of lower buildings that would take up more the landscape by developing horizontally. To support and encourage our non-vehicle transportation network, and have flexible designs that are adaptable to future innovations.

This slide, Zach have we updated this slide currently to all presentations that we have gone through? There are five more since we had updated this slide. Obviously this has been a very thorough public review process.
To orient you to the roster of projects that are a part of this entitlement. You can see we have three proposals on the Hoover Pavilion campus, the Children’s Hospital expansion, the two major components of the Stanford Hospital rebuild, and then the three buildings for the School of Medicine.

Taking you through the site plan. This is obviously the existing conditions here to the left. This was our original proposal to the right. Then we went to the Tree Preservation Alternative and you can see that the preservation mall area really has been opened up by the removal of that sixth pavilion on the mall. We had also during the course of architecture review changed the placement of the structures for the Packard Children’s Hospital to open up the corner of Quarry and Welch for the landscape.

So let me run through the project sites one by one. The Hoover Pavilion site, we have the renovation of the old Palo Alto Hospital, which we now call the Hoover Pavilion, new medical office building, and new parking structure.

Throughout this process it was very important for us to project what we considered to be the historic viewshed here from the corner of Palo and Quarry Road. In the buildings that are organized on that campus do preserve the historic viewsheds. We also worked very hard with our designers and with the Architectural Review Board to really make the design of new buildings harmonize with the existing Pavilion on the campus to create spaces between the new and the existing buildings that would be valuable to the community.

As you have heard before there was a bit of controversy over the Hoover Pavilion. We recognize and we accept as a Condition of Approval requested by Beth Bunnenberg and her committee that the finial is a condition of ARB approval. We will be replacing the finial and we are already working on those documents right now.

Now to the Children’s Hospital project, one facility housing both inpatient service and outpatient clinics. Throughout the course of the design we really wanted to integrate the landscape with the architecture, but one of the most significant moves that we made really in response to some of the critique we had from the Architectural Review Board is to create this linked garden scheme. That linked garden scheme really preserves the landscape here at the corner of Welch and Quarry Road. So you have a garden here at the corner and a garden here between the existing Children’s Hospital and the expansion.

The facility as you can see from an elevated view here at the corner of Quarry and Welch really does a great job I think of harmonizing the needs of modern healthcare architecture with the landscape here at Stanford. The place is a place for children, so that clearly as we designed the facility we are looking at the story that this building tells for the children and the families that come here to use the facility. This is a facility for high acuity patients. The children that come to this hospital generally are very ill. The parents are dealing with very complex issues in the care, so obviously the facility needs to accommodate that complexity of care.
Moving onto the new Stanford Hospital, we have a combination of a 456-bed replacement hospital that will be built in phases, as well as a future clinics building of 429,000 square feet. We have really focused the theme of the project with the relationship between science and humanity. You see it in the diagram that Rafael Vinoly created very early on in the development of the project that we would really use a garden as the interface between the science and humanity. The science being the heavy diagnostic and treatment space and an emergency department down at the ground floor, and the humanity being the patient care spaces, the residential pavilions as they will be where you have the patient beds.

The organization of the first phase of the project, which was the project that was reviewed in detail by Architecture Review looks at building a four pavilion, 368-bed hospital. There will be a future expansion here in this region to bring us up to 456 beds. Adjacent to that new hospital is a parking structure. Meanwhile we will connect the new facilities with the existing and reuse patient beds in these triangular nursing units, and then ultimately replace, once we go through this process of construction, the facilities in our 1959 hospital.

This is a view from the corner of Welch and Pasteur with the garage in the foreground. You can really see the integration of that garden here separating science and humanity.

We spent a lot of time working with the Architectural Review Board as well as consultants to Stanford to make this place friendly. To make it accessible, to have a connection to the pedestrian, and also to somebody who may arrive to the hospital not by car, who may arrive to the hospital by bicycle. We spent a lot of time developing the promenade, which is a connection between the Children’s Hospital, which is behind us in this view, the adult hospital, which you see to the right and to the left of the promenade, and the Medical School, which is at the termination of this axis.

As I mentioned, the hospital is built in multiple phases. The first phase will be approximately 820,000 square feet and then the full build out will get us to the 1.1 million inpatient environment as well as 429,000 square feet of clinics to replace the 1959 and 1973 buildings, which you will see in this region.

Then finally, the School of Medicine projects. There are three buildings that will replace on a square foot by square foot basis the spaces that they occupy in that 1959 hospital. These are called FIM1, 2, and 3. FIM stands for Foundations in Medicine. This is a view, and this is what Architectural Review evaluated. That is the first FIM1 building. It is designed really as a kit of parts that follows in the language of buildings that already exist on the medical school side of the campus. Again, the medical school is looking at developing spaces in between buildings that are accessible for their students, for their faculty, and for visitors to the Stanford campus.

So that concludes the PowerPoint presentation, but we also have video animation of each hospital project that I think really gives you a great view of the entire medical center. I will try to walk you through it. I will narrate a little bit.

So we will start with the pedestrian view at Stanford Hospital. You would be walking or bicycling down the promenade and you will see the new hospital to the right, the D, E, and F
pavilions to the left, and the bridge connecting them. The retail spaces at the ground floor, café, coffee shop, or book shop.

Then we will be turning right into the hospital entry. Go around the entry circle and we will exit to Pasteur Mall past the gift shop and turn right. Down Pasteur Mall towards Sand Hill.

This is our designated pick up area for the discharged patients. The emergency department is to the right side here where the kiosk points you to your intended destination.

Now we are elevating through the medicinal garden. We will turn around and have our first look at the full development of the five pavilion Stanford Hospital. There are the clinics building at the terminus of Pasteur Drive.

You get a good sense of the gardens on top of the second floor roof. Now we are entering the medical center from Pasteur Mall, turning off of Sand Hill. Go through the stop here. This is what you have known as parking structure 4, this is the underground structure that exists today. The ARB gave us an award for the garage a few years ago.

Now we are turning left into the new drive through the Kaplan Lawn to the main entry of the hospital.

Now the Lucile Packard Children’s Hospital. So you are coming down Welch Road, you are looking at the existing Children’s Hospital with the expansion in the background.

You will see the little wind turbine there at the top of the stair tower. This is the new hospital entry, vehicle drop-off off of Welch Road. Now we will be turning down Quarry and we will get a view of that grove of trees that we are preserving.

This is the staff patio. This will show you again starting at the corner of Quarry and Welch really what is happening. 701 and 703 Welch were removed to build the new facility. You can see the vehicle drop-off with the entry into the underground garage, and the gardens that are oriented towards the hospital lobby.

You can see the integration of the landscape with the building architecture is very important. The tree houses which are sort of family comfort spaces between the bed units are located in between those units, and have a glass pattern of leaves on the exterior.

This is our staff lounge area. You will notice an array of bicycle racks. Lee, that is for you. The ambulance here is an area where we would transfer patients from other hospitals to this one, not another emergency department entrance.

This is a bridge connecting the existing hospital with the new. This is our chapel.

Then we have a view of that courtyard that links both existing and new construction.
These façades face south and west and you will notice the passive solar devices to keep the heat load off the building. Another look at those tree houses that are in between the two patient floors.

The dining spaces off the cafeteria. Nighttime view.

So I would be happy to answer any questions, but I would be happier to hear a motion of approval.

Vice-Chair Lippert: Judging from your first flythrough I guess not stopping for the stop signs that must have been a bicyclist. I have never been so delighted. I look forward to my next broken clavicle. So with that we will return to the Commission here. As Steven Turner mentioned previously we have both Heather Young from the Architectural Review Board and Beth Bunneneberg from the Historic Resources Board. They are not here as members of the public, so they are available to answer your questions along with Bruce Fukuji. So with that I will look to the Commission for a recommendation here. Do I have one? Commissioner Fineberg.

MOTION

Commissioner Fineberg: I would like to move for recommendation on Attachment G, which is the resolution to Council for consideration of reorganizing the area designated Major Institution University Lands, property located on the northwest side of the main SUMC site adjacent to Pasteur Drive, approximately 0.65 acres. Move that we recommend adoption of the resolution annexing the approximately 0.65 acre site from Santa Clara County.

Vice-Chair Lippert: Do I have a second on that? Commissioner Tanaka.

SECOND

Commissioner Tanaka: I will second.

Vice-Chair Lippert: Does the maker of the motion wish to speak to their motion?

Commissioner Fineberg: Yes, it is my understanding that the annexation will allow whole buildings to be contained within the City of Palo Alto rather than bifurcated in separate jurisdictions. It is the right thing to do.

Vice-Chair Lippert: Does the seconder wish to speak?

Commissioner Tanaka: Not right now.

Vice-Chair Lippert: Any lights? Any discussion here? Commissioner Keller.

Commissioner Keller: I think one other advantage is isn’t Governor’s Lane being allowed to continue and be strengthened by the way that this is being rearranged?
Mr. Turner: Governor’s Lane would remain in its current configuration. The construction of the new FIM building would be adjacent to Governor’s Lane. There would be more activity around that building and more possible activity along Governor’s Lane itself.

MOTION PASSED (6-0-0-1, Commissioner Tuma recused)

Vice-Chair Lippert: Okay. Do I have any other lights? With that let’s vote. All those in support of the motion say aye. (ayes) Opposed? That passes unanimously with Commissioners Tanaka, Keller, Lippert, Garber, Martinez, and Fineberg in favor and Commissioner Tuma recusing himself.

With that let’s move on, do I have a motion?

MOTION

Commissioner Martinez: I am going to recommend the acceptance of the Stanford University Medical Center Area Plan Update, and at the same time recommend approval of the Architectural Review Board and the Historic Resources Board’s comments and forward both to the City Council.

Vice-Chair Lippert: Do I have a second?

SECOND

Commissioner Garber: I will second.

Vice-Chair Lippert: Commissioner Garber seconds. Does the maker wish to speak to their motion?

Commissioner Martinez: I will come back to it. Thank you.

Vice-Chair Lippert: Okay. Commissioner Garber?

Commissioner Garber: I will. I have a couple of comments here. First I want to acknowledge the tremendous amount of work that has been done and gone into the actual design of this project. No small accomplishment, no small feat by both Staff and the other supporting Boards. I am highly supportive of moving this forward.

I would like to register a small disappointment, however. That has to do with Quarry Road and the Hoover Pavilion. As much as I recognize the work that has been done there, and I am focusing particularly on this particular area, the Quarry Road as it gets close to El Camino as well as the role that the Hoover Pavilion plays in there. This is a topic that the Commission has raised perhaps at least two years or so ago when we were talking about the overall concepts that we were trying to achieve here. In my mind that road should better support the visual strength and connection that it has to the city across El Camino. It at the moment is made up of very
disparate sorts of pieces. The street itself does not have a very strong identity. It is really held
together primarily through the trees that are on it, but certainly the built objects and the ones that
have been proposed to be built there are not really doing much to support what that street should
be doing in my mind for the city and the community.

In the past we have talked about other ways of trying to reinforce that street through different
sorts of building strategies. As much work has been done on the Hoover Pavilion and to try and
mitigate the impacts of the new buildings on it it still is not a cohesive hold to me at all. As I
say, I am supportive of it but I wish there was more that we could do. I wish there was more that
could be done. There is greater opportunities presumably once the Stanford Shopping Center
comes back to us in the future at some time to try and make that portion of the street a greater
portion of the city as opposed to the sort of more suburban places, etc. There is no there there
and I wish there was, and I think there should be.

All of that said I want to acknowledge as well the work that has been done to link and the use of
Quarry Road to link the campus and the medical campus the way that has been envisioned back
to the city. I think all of those things are extremely important in the larger context of how that
campus relates with the Downtown of the city and those connections are extraordinarily
important. With that I will end my comments and we can move on and vote.

Vice-Chair Lippert: Commissioner Martinez.

Commissioner Martinez: Thank you. Commissioner Garber reminded me also that I wanted to
acknowledge how far the architectural design has come and the fine work of the ARB and the
Historic Resources Board.

Earlier on in our early reviews I felt kind of critical and disappointed of the project. It is kind of
like that old country song, I liked you better before I knew you, but I don’t feel that way. I feel
that as I have come to understand the challenge of building a modern hospital more, and the
opportunities to really build a fine modern building that I have become more and more
supportive of this project.

I think my only questions I wish it could be a little bit more friendly for people coming there. I
am concerned about that entrance drive. First it is kind of on the north side of the building so it
is going to be in shadow much of the time. You can even see in the flythrough as a car
approached, if you go to the Stanford Hospital now and you go to the entrance you will see eight
or ten cars lined up, people very slowly getting out. It is a process. I feel like this roundabout
kind of entrance is really going to force people to move a lot quicker than they are capable of. I
am somewhat worried about that. I think with the fine people that work at Stanford that I have
personally come to know in my dealings with the hospital that you can overcome that and queue
up cars in the right way, and double load the entrance, and find a way to make this work, because
the space is certainly plentiful for that. Overall I find the prospects of having this project quite
exciting for us.

I did want to express a little bit of a disappointment in the architectural review. I think when the
statement that the Comprehensive Plan supports the project and we go L-1, L-2, L-3, L-4 and we
Vice-Chair Lippert: Commissioner Keller.

Commissioner Keller: I actually am sympathetic with the comments made by my two fellow Commissioners. Although I appreciate the improvement to Hoover Pavilion to restore an historic feature to it I also am somewhat distressed by the crowding it has by the medical office building and the parking structure. I wish that it were not necessary to do that. I would have been in favor of slightly intensifying the main medical center campus in order to not intensify the Hoover Pavilion. I would have been supportive of that but the dye is cast. We are all done with that so there is no longer an opportunity, but that is something I had expressed a number of times and I wish we had done that.

I think that on the whole we have probably as best a project as we could possibly have at this point in time. There are quibbles and I am hoping that this whole thing is built well before the next earthquake.

Vice-Chair Lippert: Do we have any other Commissioners that wish to speak? Commissioner Fineberg.

Commissioner Fineberg: Thank you. A couple sort of general procedural questions. Why is the PTC recommending findings from the ARB and comments from Historic Resources Board? Is that something that is state mandated? Is that in lieu of us conducting Site and Design Review? Why are we taking that particular action?

Ms. Silver: The actual action is really just to review the ARB findings. The ARB of course has the purview over those particular findings and then they are reviewed directly by the City Council. We thought in this case, we had been bringing architectural issues to the body and it is such a complex project that we did think it was appropriate for you to also weigh in on those issues.

Commissioner Fineberg: Appreciate that, thank you. I would also like to echo comments on this item of previous Commissioners. I have a question about in Section F, towards the back of it, Exhibit B, Draft Conditions of Approval that are not yet finalized. When will they be finalized and what is it that we are acting on?

Mr. Turner: Those would be finalized prior to the City Council review. There are perhaps smaller details of conditions that could be added to these conditions of approval that relate to
specific technical building requirements or requirements of City departments that are more boilerplate type of conditions that would apply before a building permit is issued, during construction, and then after construction. So these are more construction related conditions of approval rather than use conditions of approval, which are in the use permit.

**Commissioner Fineberg:** Do we need then to move that our comments – are we recommending approval or are we just recommending that we have reviewed it? Because if it changes afterwards we have no idea what the changes will be. So what is the appropriate action?

**Ms. Silver:** What we would do is forward to the Council your recommendation and then we would also let the Council know that Staff some additional conditions for approval.

**Vice-Chair Lippert:** If I might weigh in here. Again, we are dealing with a rather large development and it is a lot like the PC zone where we have our initial review in initiation, it goes through the ARB process, and then it comes back to us for our comments. Well, our comments really don’t have any bearing on the ARB review at that point, but there are certain issues that are real important in terms of the use and zoning issues that are important and integral to the quality and character issues. That is why I think the architectural review is particularly important that we comment on it even though we really don’t have any purview over the other Board’s recommendation. So in reviewing this it is not so much just rubber stamping it and saying move on, it really is taking a look at what their findings are, what their recommendations are, and in essence making sure that they have done their adequate review and that we don’t have any outstanding use or zoning concerns with regard to what they have done in terms of their review or their standards.

**Commissioner Fineberg:** I understand that, and thank you for the clarification. The reason I brought that up is because we earlier talked about how ARB review, the process of the ARB review, is a mitigation of impacts. If we are stating that things have been mitigated and there are Conditions of Approval and things that will change that is kind of de facto acceptance that we don’t know whether the things that will be mitigated have been mitigated and there may be more mitigations. I also just am troubled by the concept that a procedural review is a considered the act that yields the mitigations. It is the content of what the design is in the process but not the process itself. So whenever I see that language that says ARB review results in mitigations it just seems counterintuitive, because it is the actual mitigations that get incorporated into the project description, the requirements, the Conditions of Approval, and those things to me are the real mitigations, not a review process, not a series of meetings. That’s it.

**Vice-Chair Lippert:** Okay. I am going to make a couple of comments and then I will return to my fellow Commissioners.

First of all, what an incredible journey. I have thoroughly enjoyed this process tremendously from day one when we looked at the timeline through today where we got to go and have the flythrough. I want to thank Staff, particularly Steven Turner. I know you have given up a lot of your time in terms of working with the consultants as well as Stanford and the other members of your staff and you have done a really great job here navigating us through this process and making it very easy to be able to move these recommendations forward this evening.
I want to thank Stanford University. You have put together a really great team and have made your case well. You have listened and you have incorporated not only our comments, but I believe the comments of the Architectural Review Board as well as the Historic Resources Board. So it makes it very easy to be able to move on their recommendations and send it forward to the City Council.

Again, Curtis and Cara, you have done a great job with the consultants and organizing them as well. I know it is not easy selecting consultants but I think you have done a great job and I really appreciate your hard work.

Now my comments with regard to the architecture. I look at this and I am not going to say that I am bowled over by what I see here today. I am going to say that it is satisfactory and I will move to support what is being presented here. There are a couple of things that I think are a little weak and I think my fellow Commissioners have weighed in on their thoughts as to what is weak.

I will talk about what the strengths are first. I think the siting of the Hoover Pavilion and the adjacent buildings are actually pretty good. The thing that it does is we recognize and we look at Hoover Pavilion number one as a tower structure. In a way it is almost like a mini version of the Hoover tower. We don’t experience that building as an L-shaped building. Often times it is approached not off of Quarry Road or from Arboretum Road but in fact it is approached from Palm Drive at least that is the way I approach that building. I am not usually going there to use that building. I am going there to get to Stanford Shopping Center and out towards Sand Hill Road so I can break my collarbone again. It is experienced as a tower or a mini tower type of building, and the legs are almost invisible to most people. It is obscured by trees, or it is just not seen. So building that building in front of that one leg I really don’t think it takes away very much because that is not the main approach to that building. The main approach to the building is coming from the transit center, it is coming from Palm Drive, it is coming through the property and that is the way it is going to be experienced, and that has been preserved. I really like the idea of the addition of the finial. I think that is going to be a great little element added to that building. So that part of the site I don’t really have a problem with.

I do however have a big problem with the hospital building itself not all from the height element, not from the massing element. But when you get into large buildings, particularly hospitals as means of way finding, sameness is not your ally. In some ways building all of these pods make it very difficult to be able to find one’s way around a large facility. That is where I have my biggest concern.

When people do come to a medical center they are ill or they are going to be with a loved one who is in the hospital. What is probably the best thing for them is to be able to find a quick, fast way of being able to navigate the medical center and find their way around. That I don’t see in the architecture. I think the sameness of the architecture diminishes the ability to be able to do that. So in some ways I think it is an okay piece of architecture. I am a little disappointed that more wasn’t done with the main facility to create a real entrance or a real point of saying this is main entrance to the hospital, this is where you go in.
the things that works particularly well with the Lucile Packard Children’s Hospital right now is
even though you have these repeating elements of the stepped roofs the lowest, furthest most
forward stepped roof if where the entrance to the hospital is. There is no mistake about that. So
if you look at architecture as being elements or having vocabulary on the main hospital I think
that is a disappointment to me. I really expected a little bit more. But with that being said I am
going with the Architectural Review Board’s recommendation, the Historic Resources Board’s
recommendation, and I have no problem supporting what you have presented here this evening.
So hopefully as the design is further refined those elements will be addressed at the ground floor
level, and reviewed by the Architectural Review Board. They have my comments now.

So with that I will return to Commissioner Martinez and then I will entertain any other lights and
then we can vote on the motion.

Commissioner Martinez: Just a really quick thing. Who wrote the narrative? Was that by the
ARB or Staff, or a consultant?

Mr. Turner: Which narrative?

Commissioner Martinez: On the Architectural Review.

Mr. Turner: That was Staff.


Mr. Turner: That is Section 1, paragraph A?

Commissioner Martinez: All those pages of the narrative describing the architecture of the …..

Mr. Turner: Oh, the findings, the architectural review findings.

Commissioner Martinez: Yes.

Mr. Turner: That was Staff preparing those.

Commissioner Martinez: Pretty good job. It sounds like Paul Goldberg or somebody like that.

I did have a question though about it kept making a reference of the new facilities to the existing
hospital, the linkages, and like that. I didn’t really get it since the existing is coming down. Can
you explain that?

Mr. Turner: Well, the existing hospitals are coming down but there are a number of facilities
that are staying in place. The Children’s Hospital essentially is staying in place. The Children’s
Hospital will have a new addition to that. The linkages between the Children’s Hospital, the
main hospital, in fact the linkages across from the Children’s Hospital to the Stanford Barn
although not specifically a part of this project they are part of the Village Concept linkages that
are there. The ultimate linkages up Quarry Road to Hoover Pavilion and then across El Camino
Real to the transit station, and then going back the other way from the main hospital to the
School of Medicine buildings and the School of Medicine campus located on University lands
are the types of linkages that we were discussing.

Commissioner Martinez: I grant you that and those are good, but this was specifically the new
hospital relationship to the existing hospital, and that is what sort of threw me off. It is not a big
deal, I was just questioning that. Thank you.

MOTION PASSED (6-0-0-1, Commissioner Tuma recused)

Vice-Chair Lippert: Any other lights? Okay, with that let’s vote on the motion. All those in
favor say aye. (ayes) Opposed? That passes with Commissioner Tanaka, Keller, Lippert,
Garber, Martinez, and Fineberg all voting aye and Commissioner Tuma recusing himself.

That brings us to the last part of our discussion this evening, which is our final action to make
any amendments, changes, additions, conditions, and previous recommendations. What I am
going to do is ask Commissioner Garber to give us a dump.

Commissioner Garber: Actually I think it is not all that long of a list, but let me try it out. I may
need some help on some of them. I have eight items here. I think the way that I would suggest
we think of these as recommendations of actions for Council to undertake.

Number one is to further our support of the Historic Resources Board’s recommendation to add
the finial on the Hoover building.

Vice-Chair Lippert: They agreed to do it.

Commissioner Garber: Understood. Was that a part of a previous action? Did we add that as an
amendment?

Vice-Chair Lippert: I believe that Stanford had volunteered that they were going to add the finial
to the roof.

Commissioner Martinez: It is in the Conditions of Approval already I thought.

Commissioner Garber: So then we don’t need to add that one. Thank you.

There was a comment that we recommend that there be enforcement for the various mitigations
that were in place. So an enforcement plan I suppose is the way that we would phrase that. Do
we need to make that any more specific?

The comment was made in the previous evening’s comments that there be an enforcement plan
for the various mitigations that have been placed and that have been made for the project.

Vice-Chair Lippert: That is in the FEIR mitigations.
Commissioner Garber: For the FEIR, yes exactly. I think the comment was that there was not a plan of enforcement that was made part of that, and our recommendation is that there should be. Am I understanding that correctly?

Mr. Williams: Well, the Final EIR has a mitigation monitoring and reporting program. That has for every mitigation measure who, what department is responsible for it, when it is supposed to happen, check offs for making sure it happens. So that aspect exists. If it is from the aspect of enforcement in terms of fines or something like that there is nothing else in here about that.

Commissioner Garber: So I don’t have a note as to which Commissioner was actually suggesting that, but it is sounding like we don’t need this. Does any Commissioner think we need it? Commissioner Fineberg.

Commissioner Fineberg: I wouldn’t swear by it but I think I am the one that made the comment. I think the idea was our City Staff is spread thin and already struggles adequately enforcing existing projects. So the addition of a huge project with the additional burden of enforcement and monitoring would come at a great cost to the City. There were some of the areas where I know there were specific things built in where there would be reimbursement for certain activities. I guess the question is if we are burdening Staff with additional enforcement responsibilities, are we making Staff whole? Is it cost neutral? Then if there are lapses in the delivery of those mitigations or promised public benefits are there places where we need to have penalties defined? There are some specific items where that has already been done. My question was more are there other places where we have holes that we have not developed a penalty or a mechanism of requiring delivery of a promised public benefit, or a promised mitigation?

Vice-Chair Lippert: Cara, can you address that real quickly?

Ms. Silver: It certainly is implicit in the existing Conditions of Approval, but I think that we can come up with some language to further articulate that. The intent is that we do want all of our Staff costs associated with both monitoring and enforcement to be recouped. That is a standard practice.

Commissioner Fineberg: Okay. Also, just to be clear in, I don’t want to call it a typical project, one of the responses would be, unless Staff would correct me that the Conditional Use Permit would be withdrawn. I don’t think that is really a viable option in this situation. I can’t imagine that that would be a viable path. So there needs to be something else other than that since we practically couldn’t do that.

Vice-Chair Lippert: I heard Steven Turner just mention that he is planning on staying with this project for the rest of his career. Sorry. Commissioner Keller.

Commissioner Keller: May I offer the suggestion that all costs associated with the MMRP program be recouped including any cost of enforcing the mitigations? Maybe that is the way to handle it. Is that acceptable?
Commissioner Garber: Yes, I think so. That would be a recommendation that we would suggest that the Council consider.

Item number three was the Communication Plan, which we took care of earlier this evening.

Item number four was to establish a pre-construction traffic benchmarks to measure post traffic impacts against. This was a comment that Commissioner Keller had from last evening.

Commissioner Keller: That would be part of the typical City monitoring that we monitor these intersections.

Mr. Williams: Well, we have intersections that we monitor but this is not a monitoring program as was pointed out, not like the GUP where we have cordons and intersections.

Commissioner Keller: Right.

Mr. Williams: It is monitoring the number of single occupant vehicles basically and diversion through. So the monitoring is going to be mostly how many people are using Caltrain, how many are using other modes, and that kind of thing. I think it has not been completely defined exactly what that methodology is, but it is not counting intersections so much because that is not necessarily just this project that is going to be picked up with an intersection count.

Commissioner Keller: Yes I understand that. I am basically suggesting that we ensure that even though this monitoring is separate from, even though it is a diversion approach rather than an intersection approach, I am making a specific recommendation that we measure the intersections prior to the project’s commencement so that we have a baseline for the evaluation of the City process. I am not sure if the evaluations that have been done are sufficient or whether we need to do new timing. That is what I am suggesting.

Mr. Williams: Yes, and we do have those basically in the EIR. I will check with Jaime and make sure if they need to be more current.

Commissioner Keller: Yes, that is my intent is basically to make sure that the EIR baselines are appropriate or to update them as necessary.

Commissioner Garber: We will leave it at that and those get memorialized in some way. They maybe isolated as a separate memo or record that comes out of the FEIR.

Item number five was Attachment B, page 18, item 5.a.2 asked that the increase of 4.5 be reviewed to determine if this is the appropriate amount, and if there is a more appropriate value to be used, for instance a more health-related index.

Number six is for the Council to consider establishing a historic fund to support the mitigation of the loss of the Stone Building.
Number seven was to update impact fees. They have not been updated recently. They need to be undated. Commissioner Tanaka.

Commissioner Tanaka: Yes. In terms of impact fees I think you covered the point, which is I think we should update it quickly. Maybe as soon as we can.

In terms of the index, actually what I was thinking our recommendation should be on that is just that we want to index things accordingly not just the healthcare, but the GO Pass, the other – I am not sure if you are going to cover that already. Was that part of the overall indexing that we talked about last week or was that just indexing for the healthcare?

Commissioner Garber: I actually had that listed separately as an issue. It had not been – this was your comment, which was that every value that exists there we should find a way to escalate or find some index. Can I hold that one out for the end?

Commissioner Tanaka: Okay. I understand.

Commissioner Garber: Commissioner Fineberg.

Commissioner Fineberg: You skipped over the historic fund. You mentioned it, but I would like to propose one change in wording if it is acceptable.

Commissioner Garber: Okay.

Commissioner Fineberg: Can you remove the word ‘mitigation?’ I was able to go back and get copies of the text from the National Trust for Historic Preservation. I understand that once a building is torn down the fund does not mitigate it. So if we could strike the word ‘mitigation’ and say ‘as consideration for the unmitigatable impacts’ then we don’t have arguments about that it is not a mitigation.

Commissioner Garber: Okay. Thank you. Then the last one I have here is, and I am not going to get this quite right. This is Commissioner Lippert’s suggestion that paid parking funds be utilized to support funding of GO Passes and extend GO Passes to employees by – sorry. Then Commissioner Keller, you had some comments in there. Could I ask the two of you to help me with one?

Vice-Chair Lippert: Yes. It was beyond the capital costs of the parking structures, the cost recovery. So in other words parking is actually paying for the parking structures. So beyond the paying for the parking structures that any revenues collected actually be used for – beyond.

Commissioner Garber: Any revenues collected beyond the value of the capital cost itself be utilized for GO Passes.

Vice-Chair Lippert: Exactly, or Transportation Demand Management, TDM programs.

Commissioner Garber: Okay, those were the only items that I had.
Vice-Chair Lippert: Excuse me I have a light from Commissioner Keller.

Commissioner Garber: Apologize. Go ahead.

Commissioner Keller: Not withstanding the comments Commissioner Tanaka is going to make about escalation, we also had the discussion about escalation of Caltrain GO Pass rate, and the consideration was to whether the Consumer Price Index is a suitable index for escalation of the GO Pass or whether some transportation index should be considered, or in the alternative is striking exclusion B from that paragraph on page 27.

Vice-Chair Lippert: Okay, so that will be included in our comment there.

Commissioner Garber: Yes, that is actually a subset of this as well.

Commissioner Keller: Just to make it clear, Alternative B is one that basically says they don’t have to do GO Passes if Caltrain’s GO Passes are too expensive.

Commissioner Garber: That was page 27?

Commissioner Keller: Yes, page 27. I forget which document it is right now, but it is page 27, and that is fine. Thank you.

Vice-Chair Lippert: Okay. Any other?

Commissioner Garber: Then the only other one that we would come back to is Commissioner Tanaka’s, which is the blanket suggestion that any value have some escalation to recognize the duration of time that we are dealing with. I am just curious if Staff has some thought on that.

Ms. Silver: Well, I am going through the various payments here. We have the healthcare payments. The first healthcare payment of $4.0 million for the health programs is paid at the beginning so I don’t believe there is a need for escalation there. The $3.0 million does have an escalator of 4.5 but there has been some comment on that. Then we have the shuttle and connection payments, which are paid up front as well. Then the GO Pass we have discussed.

Commissioner Garber: Commissioner Tanaka, my recollection from last week was that you had focused in on a couple of the values that you were concerned about. One of which I knew was the bicycle or pedestrian underpass. There may have been some others I am not remembering exactly.

Commissioner Tanaka: Yes, because this is something for the Council to look at a recommendation, and this of course has to be negotiated with Stanford. Actually, my recommendation really was just a blanket I think, especially as some of these like the bicycle underpass are really long out.
I guess I have three thoughts here. I was thinking that probably the spirit of the agreement was for this to be cost neutral to the City. I think that is what Stanford was trying to do. I don’t think the City is trying to milk this either. So while I think people were talking about today’s dollars I think one issue is the City I think doesn’t have the financial sophistication to hedge inflation, or hedge traffic, the cost of gas, or the cost of transportation. I think Stanford actually has more financial capability to actually—it is not necessarily incrementally more to them, but they are able to hedge inflation costs or hedge transportation costs better than we can in terms of there are various futures and options that you could do to give the cost to them. For us, the City, I don’t think we have the capability of doing such a mechanism. So I think for Council they should think about that as a way to basically keep to the spirit of the agreement so that GO Passes can be carried forward, so that the underpass can be built, so that all the other payments and fees involved can truly be cost neutral. I think that is what the spirit of the agreement is. My thought was that the City is not able to do that but I think Stanford has the financial sophistication with their Endowment Fund, with the professors of finance to do that kind of mechanism but we don’t have that mechanism.

Vice-Chair Lippert: If I might weigh in for a moment here. I think your comment is very good. This went through the Policy and Services Committee as well as the Finance Committee of the City Council. I think they are probably mindful of and thinking forward in terms of cost escalators. I don’t know what their deliberations actually entailed. However, there is what you are able to negotiate versus what you are talking about. So I think parking the comment here on our list is appropriate. If they have not done so maybe they will do so, but if they have already included that in their deliberations then we may in fact be stuck with the numbers that they have negotiated. I think it is a good comment. I think it belongs on the list but I don’t think there is much more that we can possibly do about it.

Sure, Commissioner Keller, real quick.

Commissioner Keller: I think that there are two kinds of expenses that need to be taken into account of potential escalations. The GO Passes are paid to a third party. The inpatient and outpatient services are essentially provided to a third party. Therefore, those escalations are qualitatively different than the escalation of things paid to the City for which there is a $2.4 million cost neutrality assurance. So it seems to me that the import of your issue is to make sure that the cash neutrality assurance really covers potential cost escalations to long-term capital improvements that the City plans to make for which Stanford is making contributions. It seems to me that that is really the biggest part of it, because the other two we covered already. To the extent that a query to the City Council as to whether or not they include it or not in the cost neutrality assurance the potential for cost escalations with long-term capital improvements that are paid for partly or in full by Stanford. So I think that focuses that to really what the crux of the issue is.

Vice-Chair Lippert: We will go to Commissioner Martinez followed by Fineberg.

Commissioner Martinez: This is a really daunting task of tracking the mitigations, and the payment schedule, and the schedule for when the modal split is supposed to take place. We have asked that Stanford provide a TDM Coordinator, and that is in the works. I don’t think we have
asked about the office that is really going to be pulling all of these things together, like a point of
contact. I think there should be some language for the sake of the City to be able to go to one
office and say what is happening on this intersection mitigation, or during construction what is
happening there, and when do we expect to receive the report, and this and that. Rather, because
it is a multidisciplinary kind of a structure required for that rather than requiring that to come
from different offices. I think it would help us greatly if we could really sort of try to condense
that into one source of contact.

Vice-Chair Lippert: Commissioner Fineberg.

Commissioner Fineberg: In Attachment D, page 22, Section D it talks about costs of monitoring
and compliance. I know these things are nested under sections, under chapters, and paragraphs.
This is saying that each party shall bear their own costs of compliance with provisions in Section
5.2.a through c, including but not limited to monitoring payments and receipt of construction use
tax, preparation and analysis of reports, and reconciliations. Is that a counter position to the City
being made whole? Are we accepting in that place that we are bearing the costs of monitoring
those sections worth of expenses?

Ms. Silver: That particular provision only applies to the use tax.

Commissioner Fineberg: Okay, thank you. Then going a few pages later in. Let me back up a
second. In some of the earlier pages, around page 15 through maybe 20, it talks about the timing
of when payments will be made. For instance, something will say within 30 days of the effective
date, or 45 days after the second reading. Then when we get to page 26 or 25 where we switch
into the Palo Alto items and things like on page 30, the public right-of-way improvements for the
bicycle connections on Quarry Road I am not seeing on those the dates of when they are being
paid. So are they immediate payments upon approval? So they don’t need to be indexed, they
are a net present value at basically when the clock starts ticking? Is there a time when we are
keying that the linkage items are being paid?

Ms. Silver: You are talking about the $400,000?

Commissioner Fineberg: The appendix in D, starting on page 29 it talks about linkages. The
first one is improvement of the pedestrian/bike connection, the $2,250,000. Then the public
right-of-way I see that it is saying not later than the initial payment date. On a couple of them
like the underpass I didn’t see a date. Maybe it is buried in some section back.

Ms. Silver: We will have to take a look at it. Is the underpass on page 30?

Commissioner Fineberg: No. I had it a minute ago.

Ms. Silver: We will put together a matrix with all of the payment dates. It is very complicated.
I think taking together both your comments and Commissioner Martinez’s comments about a
point person, we do expect that there will be a lot of setup if you will to make sure that we track
this and enforce it properly.
Vice-Chair Lippert: Commissioner Fineberg, is that acceptable that we simply include in our parking list or our comments here that there be a matrix that clearly states the amounts of money and the dates of those expenditures for capital improvements?

Commissioner Fineberg: That is wonderful, and that allows us to know that if it is a payment that happens up front the City does have the ability to invest it and it will grow with time and be there when we are ready to use it, as opposed to if it is a payment ten years out then we may need some indexing.

Vice-Chair Lippert: Okay. Commissioner Garber, do we have anything else on your list?

MOTION

Commissioner Garber: We do not. I can move that we forward these recommendations to the Council.

SECOND

Vice-Chair Lippert: I will second that. We have Commissioner Keller that had some additional comments. So let’s see what those are.

Commissioner Garber: Okay.

Commissioner Keller: The first comment is that I think that the comments that I made several months ago regarding greenhouse gases and Business as Usual were not adequately addressed as far as I understand. The documents were attached to the CD but there was no response to those documents at all.

I think that in some sense it is too late to change it because things are too cast in stone. But it seems to me what is much more logical, and this is a comment obviously there is nothing we can do about it. As a comment the whole Business as Usual thing is bogus from my perspective. Really what it should be is an unavoidable impact for which the $12.0 million payment is as mitigation for that unavoidable impact. That makes a lot more sense to me than the changes that were made that are, in my opinion, without justification.

Vice-Chair Lippert: If you don’t mind, just one quick comment on that. I believe as Stanford went through their – first of all, we have the GO Passes as a Transportation Demand Management program. The building operation I believe in the presentation that was made by Stanford there was a way of using energy in the building. Maybe Mark Tortorich could ….

Commissioner Keller: Perhaps I can identify the Business as Usual had nothing to do with those items. It had to do with patient trips. The patient trips were completely disregarded.

Vice-Chair Lippert: Okay, I understand now. Thank you.
Commissioner Keller: So the patient trips were completely disregarded because of the Business as Usual. I think that was without justification. I think that a better way would have been to handle it by saying that Palo Alto, as I had talked about earlier, Palo Alto implement offsets to the increase of greenhouse gases from the patient trips by using that $12.0 million to do so. That to me would have been a much cleaner, much saner way of dealing with it than the structure we have now.

In particular, it seems to me that if we were to use that money for example to make our electricity 100 percent carbon-free, I am not sure how much that would cost, but the interesting thing about it is that that would probably reduce our greenhouse gases greater than the Sustainable Community Strategies in SB 375 and all the housing we are talking about would entail, as an example. If we were to use measures to try to decrease the greenhouse gases of our transportation sector in other areas that would make a big impact for reducing our greenhouse gases. So it seems to me that that would have been a cleaner way to handle it rather than this such.

With respect to the transportation significance thresholds I still have heartburn about the difference between Palo Alto’s transportation significance thresholds and Menlo Park’s transportation significance thresholds. We got a letter, received at places today, regarding East Palo Alto. I don’t understand why East Palo Alto did not implement Menlo Park’s transportation significance thresholds. They are better off using that then Palo Alto’s thresholds. If they had implemented Menlo Park’s transportation significance thresholds then all the things in East Palo Alto would have been mitigated. So in some sense they are tied by whatever the thresholds are. So that is the next thing.

The last thing that I want to indicate is although we have mentioned it as a minor comment I think it is not a minor comment. I think the issue that Commissioner Martinez brought up regarding page 34 of the Development Agreement regarding Site and Design Review is actually not a minor point. That is actually in my opinion a major point, and I appreciate Commissioner Martinez bringing it up. That language should be struck twice.

Essentially, the issue is that if there is minor architectural review it doesn’t go to the Planning Commission anyway. If it would go through the Planning Commission then it should go through the Planning Commission independent of whether the ARB has seen it. This doesn’t make any sense. So the issue is putting something about architectural review saying it removes Site and Design Review from the purview of the Planning Commission is a bad precedent. I don’t know whether this will ever need any further Site and Design Review. I presume not, but I think that is actually something that should be specifically called out. Thank you.

Vice-Chair Lippert: Director Williams.

Mr. Williams: Yes. I just want to try to get some clarification as to what the Commission’s objective is with this process. Are these comments just general comments or is Commissioner Garber writing these down to be suggestions to the Council? If so, are they being voted on as the majority of the Commission suggesting they be forwarded? Or, are they comments that are in the minutes as comments?
Vice-Chair Lippert: What we have done is we have bifurcated each of the recommendations here, each of the individual recommendations as we went through the Entitlement process. So those have moved through fairly clean with very few modifications to them. So what we have done is captured all of the comments that are, how shall we say, individual comments that would then move forward to the City Council as an attachment saying these are thoughts that we have all agreed upon that you should consider or possibly focus your discussion on.

Mr. Williams: So the Commission would say that the Commission as a whole thinks the Council should do this, not that these are just individual comments of the Commissioners. I think that is a very important distinction to make. Obviously the Council’s, I assume that the Council’s consideration of those is much more heavily weighted if it is the Commission’s suggestion that they do that rather than each one of these represents one Commissioner’s comment. Thank you.

Vice-Chair Lippert: I think it stands much better even though we may not be in complete agreement on every single one of those points. I think that they are worthy of consideration and they can either accept or not accept what we have had to say here tonight. Are you in agreement, Commissioner Garber?

Commissioner Garber: Yes.

Vice-Chair Lippert: Okay. Any other comments here before we move on this? Okay. I am not going to ask Commissioner Garber to reiterate the list. I think what we will do is just formalize it, clean it up a little bit for language, and then just simply attach that to the report that we are forwarding.

Commissioner Keller: Can I just suggest that after this the report be sent to the Commission at any time just so we know exactly what the list is afterwards?

Vice-Chair Lippert: Yes there is not a problem with that. Then that way if there are any corrections we can get them in to Steven Turner.

So with that all those in favor….

Commissioner Garber: Can I speak to the motion?

Vice-Chair Lippert: Please.

Ms. Silver: Excuse me. I have a question. So there were ten comments that were subject to the motion. Then there was a second on that. Then Commissioner Keller had some additional overall comments.

Commissioner Garber: Those are comments that at the moment are outside the motion, but they are comments and they will be recorded.

Ms. Silver: Thank you.
Vice-Chair Lippert: I concur with that. All those in favor….

Commissioner Garber: I would like to speak. I just wanted to briefly acknowledge the work the Commission has done, and recognize that of the 21-plus times that we have met on this we have met more times than any other Board or Commission on the EIR, and that the amount of comments that we have made although burdensome to some have had a significant impact I think on the outcome of this action.

Two, relative to the work that we have done on the Development Agreement including the discussion of public benefits furthering the concern that the analyses be fiscally conservative, the focus on cost neutrality, and the scope and intent of the Traffic Demand Management programs that we have spoken about.

Finally, our support and championship of the community health programs have also had an important impact on the action this evening. Finally, I want to acknowledge our general support and the increased focus that we put on the Village Concept, which have resulted in over $2.0 million being dedicated to the various linkages that are key to the success of this project.

As a very general overview, my recollection was that Stanford was established as an institution four or five years before the City of Palo Alto was, and has led the City in any number of different things over the years. We need to recognize that over the next 30 years the amount of changes that will be going on in Stanford will probably only be equaled by the amount of changes that are going to be going on in Palo Alto itself. We have seen some of the future in the last couple of years as we have seen Stanford struggle through how they are going to do their development. The sorts of things that it seems to me that we have learned about are the very highly managed outcomes that will become even more important for development across the entire city. The visionary planning that has been done. The managing of heights against the utility and the experience of the ground plane and how we manage between that are all very important things that the City will be learning from, and I suspect will be dealing with in years to come.

This isn’t to say that the City hasn’t also brought significant and important values to the Stanford project, and I will name three that I think are important. One is inclusiveness. The second is connectivity. The third is the sense of overall community in that it is not just Stanford and it is not just the City, but it is all of us to make the project a success.

Vice-Chair Lippert: Thank you very much. I have a light from Commissioner Keller.

Commissioner Keller: I can understand why you might not want to include my comment about greenhouse gases and Business as Usual. However, I am actually quite perturbed that you are not including particularly the comment about striking ‘and Site and Design Review’ on page 34 of the Development Agreement.

Commissioner Garber: I am happy to include them. I thought you were just offering them as just comments as opposed to inclusions.
Commissioner Keller: No that one in particular was something that I wanted to be in there.

Commissioner Garber: Okay.

Vice-Chair Lippert: I would ask that you make them as friendly amendments please.

Commissioner Keller: Okay. I make a friendly amendment that we strike the ‘and/or Site and Design Review’ and also later on ‘or Site and Design Review’ in paragraph on page 34 of the Development Agreement.

Commissioner Garber: That is acceptable.

Vice-Chair Lippert: I will accept it as well.

Commissioner Keller: The second comment that I would like to suggest as a friendly amendment is just to make clear that the traffic impacts are mitigated to – I am not sure how to word this. The traffic impacts are mitigated to a greater degree precisely because Menlo Park has lower significance thresholds for traffic than does Palo Alto.

Commissioner Garber: That is offered essentially as an observation.

Commissioner Keller: As an observation, yes. That in particular, I am not sure if we should make a comment also about East Palo Alto having their thing in response to their letter.

Commissioner Garber: Meaning that your implied action there is that it may be a recommendation for East Palo Alto to ….

Commissioner Keller: To consider what transportation significance thresholds that they want to have. I don’t actually want to put in there any comment about East Palo Alto. I am just putting that out there.

In terms of Palo Alto’s being mitigated to a lesser extent because of the differential significance thresholds I think that is a comment I would like to make as a friendly amendment.

Vice-Chair Lippert: I have to tell you, I appreciate what you are trying to do, but I think that East Palo Alto has the ability to speak on its own and be able to present its own case.

Commissioner Keller: My friendly amendment says nothing about East Palo Alto. My friendly amendment is about Palo Alto and Menlo Park, and that Menlo Park’s traffic impacts are mitigated to a greater degree because Menlo Park’s significance thresholds are lower. That is my friendly amendment.

Vice-Chair Lippert: I believe, and again, I appreciate your comments. Both East Palo Alto and Menlo Park have the ability to state what they want and clearly explain their positions. I don’t
believe that it is in our purview here to speak on their behalf or to define in any way what we
should be doing for them.

Commissioner Keller: Let me try wording it differently. Palo Alto’s traffic impacts are
mitigated less than Menlo Park’s precisely because Palo Alto’s significance thresholds for traffic
impacts are greater than Menlo Park’s. That is the best way I can state it.

Vice-Chair Lippert: Okay, fine. We will include that as a comment and move on.

Commissioner Keller: Thank you.

Vice-Chair Lippert: Commissioner Fineberg.

Commissioner Fineberg: Just to echo Commissioner Keller’s last comment. The ship has sailed
on this project regarding how we measure traffic impacts. I think the significance of that
comment to Council is that maybe we ought to consider how Palo Alto measures traffic impacts
and what the thresholds of significance should be on other projects going forward.

MOTION PASSED (6-0-0-1, Commissioner Tuma recused)

Vice-Chair Lippert: Yes, it was accepted as a comment. Okay, so with that let’s all vote on the
motion here. All those in favor say aye. (ayes) Opposed? That is unanimous with
Commissioners Tanaka, Keller, Lippert, Garber, Martinez, and Fineberg in favor and
Commissioner Tuma recusing himself.

With that I have one other order of business here before we make our final recommendation
forwarding our recommendations to the City Council for their deliberation and final action. I am
going to go back to California Environmental Quality Act and I am going to ask for a motion of
reconsideration on recommendation of certification of the Final Environmental Impact Report.

MOTION OF RECONSIDERATION

We have managed to be unanimous on the Land Use, Entitlements, and Administrative I would
hope that we could be unanimous with regard to the California Environmental Quality Act and
the recommendation of certification of the Final EIR. With that I guess it is a motion of
reconsideration. Do I have a second?

SECOND

Commissioner Garber: I will second. Would you remind everyone how they voted last time?

Vice-Chair Lippert: Yes. It was Commissioners Tanaka, Lippert, Garber, and Martinez in favor
and Commissioners Keller and Fineberg opposed. My hope is that the two dissenters would
change their vote.
Commissioner Keller: Thank you. So I think that the issue regarding the TDM measure for GO Passes is hopefully going to be addressed appropriately as recommended by the Commission. So I feel more comfortable about that.

My comment about greenhouse gases and Business as Usual is just a comment and my intent is not to derail the process but instead to indicate that there would have been a better way to handle it. Thank you.

Vice-Chair Lippert: Any other Commissioners wish to speak? Commissioner Fineberg.

Commissioner Fineberg: I am not going to be changing my vote. The reason I voted and considered the environmental analysis inadequate is primarily because after thousands of comments, hours of public testimony every last change that happened between the DEIR and the Final was to minimize impacts, to remove mitigations. The only mitigations that were added were ones that were mandated by outside agencies, things like soil testing.

The fact that all the comments, all the additional analysis, all the changes resulted in reductions of impacts and eliminations of mitigations is just a clear bias. In a fair analysis there would be a give and take. There would have been at least one additional mitigation or one additional impact found. That included areas like the analysis of housing that would be induced, the resultant secondary impacts on schools and PAUSD, the Business as Usual scenario for how we measure greenhouse gases, the dismissal of construction impacts because a half a mile is too far. The list just goes on and on where the way we develop criteria with models that were used only in this project not in other projects to create thresholds that made impacts – just eliminated them is just not acceptable. I can’t change my vote because of that.

MOTION PASSED (5-1-0-1, Commissioner Finberg opposed, Commissioner Tuma recused)

Vice-Chair Lippert: Thank you very much. With that we will vote on the motion. All those in favor say aye. (ayes) Opposed? (nay) So we have Commissioner Tanaka, Keller, Lippert, Garber, and Martinez voting in support, and Commissioner Fineberg opposed, and Commissioner Tuma recusing himself.

So finally, do I have a motion to forward our recommendations to the City Council for their deliberations and final action?

MOTION

Commissioner Keller: So moved.

SECOND

Commissioner Garber: I will second.

Vice-Chair Lippert: Okay. Motion by Commissioner Keller, second by Commissioner Garber. Commissioner Keller, do you want to say any last minute words?
Commissioner Keller: Yes. This has been a very long process. It was made somewhat longer by the removal of the Stanford Shopping Center Expansion. I hope that what we wind up with is the continuation of Stanford Medical Center and Lucile Packard Children’s Hospital as a world-class institution that will be sustainable and earthquake safe. Hopefully, this will happen before the next earthquake. Good luck. I consider my process here as trying to provide appropriate due diligence to this and not to derail the process. Thank you.

Vice-Chair Lippert: Commissioner Garber.

Commissioner Garber: I will withhold my 30-page dissertation.

MOTION PASSED (6-0-0-1, Commissioner Tuma recused)

Vice-Chair Lippert: All those in favor say aye. (ayes) Opposed? That passes unanimously with Commissioners Tanaka, Keller, Lippert, Garber, Martinez, and Fineberg in favor.