REPORT IN BRIEF

This staff report addresses two City Council agenda items.

The first agenda item is adoption of a resolution vacating nine public service easements for utilities and roadways on Quarry Road from El Camino Real to the intersection with Arboretum Road; Arboretum Road from Quarry Road to Sand Hill Road; Sand Hill Road from Arboretum Road to San Francisquito Creek; the abandoned Pasteur Drive from Sand Hill Road to Welch Road; and a utilities easement for a relocated electric line near Hoover Pavilion. The primary purpose of the easement vacation is to accommodate the relocation of public utilities and realignment of the roadways resulting from the Sand Hill Corridor development project. Vacation of the easements will be accompanied by City Manager acceptance of new utility and roadway easements for the entire four-road area including the new Pasteur Drive.

The second agenda item is initiating the annexation of edge portions of the south side of the new Sand Hill Road and Quarry Road along with the relocated Pasteur Drive and adjacent land. The need to have these annexations was identified in the 1997 City Council approval of the Sand Hill Corridor projects. The annexations are consistent with a Santa Clara County policy to avoid jurisdictional lines occurring in road right-of-ways. Four distinct areas are to be annexed, resulting in recommended adoption of four Resolutions setting May 6, 2002 as the date for City Council action on the annexations.
RECOMMENDATION
Staff recommends that the City Council:

1. Approve the attached Resolution (Attachment VI) for vacation of public service easements for utilities and roadways on Quarry Road, Arboretum Road, Sand Hill Road, Pasteur Drive and a public service easement for utilities near Hoover Pavilion.

2. Approve the attached four annexation Resolutions (Attachments VII., VIII, IX, and X) initiating annexation proceedings for land along the south side of Sand Hill Road, two areas along the south side of Quarry Road and the new Pasteur Drive and adjacent land between Sand Hill Road and Welch Road.

BACKGROUND
In June 1997, the Council approved the Sand Hill Corridor projects including construction of apartments and Senior housing, expansion of the Stanford Shopping Center and modifications to numerous roadways. The roadway portion of the Sand Hill Corridor projects included, among other work:

- widening of Sand Hill Road from Arboretum Road to Santa Cruz Avenue,
- relocation of Pasteur Drive between Welch Road and Sand Hill Road, and
- widening of Quarry Road from El Camino Real to Arboretum Road.

Palo Alto voters approved the Sand Hill Corridor projects through referendum in November 1997.

The relocation of Pasteur Drive resulted in a new developable area formed by the former Pasteur Drive right-of-way and adjacent land. The new developable area was designated Multiple Family Residential in the Comprehensive Plan and pre-zoned to Multiple Family Residential (RM-40). The median of the relocated portion of Pasteur Drive was designated Major Institution/Special Facility in the Comprehensive Plan and the road with the median was pre-zoned Public Facilities with the Landscape Overlay (PF-L).

The widening of Sand Hill Road and Quarry Road resulted in a thin edge portion of the new roadways located in unincorporated Santa Clara County. The relocation of Pasteur Drive resulted in the new roadway located in Santa Clara County. Part of the 1997 approval was a Development Agreement approved by the City and the University. One provision of the Development Agreement was that Stanford would support annexation to the City of the unincorporated elements of the roadways as well as the new multiple family area adjacent to the relocated Pasteur Drive.
In 1998, as the City and the University worked together on planning the construction of various elements of the Sand Hill Corridor projects, it was concluded that annexation of the roadway and multiple family areas would be best accomplished at the end of the construction work. The concern with an earlier annexation was the problem of precisely locating the edges of future roadways that might, during the construction process, have minor adjustments. This issue was resolved by the City and Stanford University adopting agreements for the Sand Hill Road work (approved by the City Council on April 19, 1999) and for the Pasteur Drive and Quarry Road work (approved by the City Council on November 15, 1999). The agreements committed the City and the University to seek Santa Clara County approval to allow road construction in unincorporated areas with annexation to occur after construction. The County Board of Supervisors, on April 27, 1999 and December 7, 1999, adopted agreements between the City and the County concurring with the City/University requests.

All public roadways on Stanford land have public roadway easements. The 1999 City/University agreements identify the easement wording to be used for land to be added to Sand Hill Road and Quarry Road and the relocated Pasteur Drive.

In 2000, the State adopted new annexation procedures for Santa Clara County, effective January 1, 2001. Under these procedures, cities have the decision-making responsibility for annexations such as the Sand Hill Road, Pasteur Drive and Quarry Road areas. Each distinct physical area to be annexed is to be processed as a separate annexation. As identified below, this results in the Sand Hill Corridor having four annexations.

**DISCUSSION**

The City actions needed for the easement and annexation processes include:

1. City Council revocation of existing public service easements for utilities and roadways for Quarry Road, Arboretum Road, Sand Hill Road from Arboretum Road to San Francisquito Creek, the former Pasteur Drive roadway, and a relocated electric utility near Hoover Pavilion.

2. City Manager approval of the new public service easements for utilities and roadways.

3. City Council approval of four annexations including:
   - Sand Hill Right-of-Way) -- Property located on the south side of Sand Hill Road between San Francisquito Creek and approximately 275 feet west of Pasteur Drive (3.192 acres +/-);
- Pasteur Drive Right-of-Way and Adjacent Land -- Property located on the south side of Sand Hill Road between Pasteur Drive and Welch Road (1.973 acres +/-);
- Quarry Road Right-of-Way -- Property located on the south side of Quarry Road between Arboretum Road and the City of Palo Alto Electric Substation (0.061 acres +/-); and
- Quarry Road Right-of-Way -- Property located on the south side of Quarry Road between Palo Road and El Camino Real (0.250 acres +/-).

Attached are color maps identifying the easement and annexation areas (Attachment I).

Easements
As illustrated in Attachment I, the current public service easements for utilities and roadways for Quarry, Arboretum, and Sand Hill Roads and Pasteur Drive are a collection of eight easements adopted at various times from the 1950s through the 1980s. When City and Stanford staff began to address the issue of what easements were needed for the widened and relocated roadways that are part of the Sand Hill Corridor approval, a concern was raised regarding adding more easements to an already confusing set of easements. The staffs concluded that it would be better to vacate the existing easements and have one new public service easement for utilities and roadway for all of Quarry, Arboretum, Pasteur, and Sand Hill from Arboretum Road to the Creek. The easement for the section of Sand Hill Road from Arboretum Road east to El Camino Real was accepted by the City in 1999 as part of the construction process and the easement wording is consistent with the new easement.

The process for vacation of an easement is based on the State Streets and Highways Code which allows for the summary vacation of public service easements which have been relocated and are no longer necessary for present or future public use. The procedure calls for the City Council to adopt a Resolution Ordering the Vacation (Attachment VI). The attached Resolution has incorporated all of the easements identified for vacation in the attached color illustrations (Attachment I). The vacated easements will be replaced by the new easements accepted by the City Manager.

The process for acceptance of an easement is established by a resolution adopted by the City Council on March 15, 1971. Under this procedure, the City Manager has the authority to accept new easements. Stanford staff has prepared and City staff has reviewed and approved the legal descriptions and maps for the new public service easements for utilities and roadways. The new easements cover Quarry Road from El Camino Real to the middle of the intersection with Arboretum Road; Arboretum Road from Quarry Road to Sand Hill Road; Sand Hill Road from Arboretum Road to San Francisquito Creek; Pasteur Drive from Sand Hill Road to Welch Road; and a relocated electric line near Hoover Pavilion.
After conclusion of the easement vacation and acceptance process, there will be areas that no longer have a roadway easement. These areas include (see Attachment I):

- On the north side of Sand Hill Road along the frontage of the Oak Creek Apartments, the edge of the existing right-of-way will no longer be part of the Sand Hill Road right-of-way but will become a separate public utilities easement.
- On the south side of Sand Hill Road east of the former Pasteur Drive, there is a 570-foot section of existing right-of-way (approximately 0.26 acres) that will revert to Stanford.
- On the south side of Sand Hill Road west of the intersection with Arboretum Road, there is a 375-foot section of existing right-of-way (approximately 0.17 acres) that will revert to Stanford.
- Along Arboretum Road, there are small sections of right-of-way that will revert to Stanford.
- At the former main El Camino Real entrance to the Stanford Shopping Center, there is a segment of road easement (granted when this portion of the Center was developed in the early 1950s) that will revert to Stanford.

The right-of-way adjustments along the south side of Sand Hill Road between the former Pasteur Drive and Arboretum Road were identified during the 1995-97 Sand Hill project review process. The easement at the El Camino Real entry to the Shopping Center was not originally identified. However, reversion to Stanford of the El Camino Real entry area along with the section of Sand Hill Road right-of-way west of Arboretum Road (i.e. on the Nordstrom’s site) will have no effect on allowable floor area or any other development right for the Center.

**Annexations**

Under the State’s annexation statutes, as amended in 2000, cities in Santa Clara County conduct annexation proceedings and the Santa Clara County Local Agency Formation Commission (LAFCO) processes the annexation documents after Council action. For annexations of uninhabited areas where the property owner consents to annexation, there are no public hearing requirements. The essence of the procedure is that:

- the property owner requests annexation;
- the City initiates review and approval from the County Assessor, County Surveyor and, for waiver of protest hearings, from the County (these steps have been completed);
- the City sends a letter to the property owner stating the time of the City Council meeting to initiate the annexation;
- the City Council adopts a resolution setting the date for considering the annexation;
the City notifies the property owner of the meeting date at which the City Council will consider the annexation;  
the City Council adopts a resolution approving the annexation; and  
the City Manager forwards the appropriate documents to LAFCO for its processing, including forwarding to the State.

All fees associated with the annexation are paid for by Stanford University.

Each distinct geographical area has to constitute a separate annexation. For the Sand Hill Road, Pasteur Drive and Quarry Road areas, there are four land areas to be annexed as identified in the above text, in the attached color illustration (Attachment I) and in the four attached Resolutions (Attachments VII, VIII, IX and X). Also attached are Stanford University’s requests for annexation of each of the four areas (Attachments II, III, IV and V).

The four attached annexation Resolutions set consideration of the annexations for the May 6, 2002 City Council meeting.

The end result of the annexation process is that the complete right-of-ways for Sand Hill Road and Quarry Road will be incorporated into the City limits. For Pasteur Drive, the complete right-of-way for the relocated Pasteur Drive will be in the City limits and the adjacent land pre-zoned in 1997 to RM-40 will become part of the City. The pre-zoning designations will become conventional zoning designations upon completion of the annexation and without further City action.

**RESOURCE IMPACT**

Maintenance of the roadways was anticipated in the Council’s 1997 project approval actions. Effectively, whether the edge of Sand Hill Road and Quarry Road are in the City or in the County, the City will likely bear the maintenance responsibility given that most of the two rights-of-way are in the City and the impracticability of not maintaining one narrow edge of the roadway. Santa Clara County would have the maintenance responsibility for the section of Pasteur Drive from Welch Road to Sand Hill Road. Given that the road has been recently constructed, the maintenance costs are a minimal part of City street maintenance work.

**TIMELINE**

Recordation of the easement vacation resolution and the new easements replacing the vacated easements will occur within the next several weeks.

The annexations will return to the City Council on May 6, 2002, at which time the Council will consider four resolutions approving the annexations.
ENVIRONMENTAL REVIEW
The vacation of public service easements for utilities and roadways described herein is part of the Sand Hill Road project(s) for which the Council certified an Environmental Impact Report pursuant to its adoption of Resolution No. 7685.

The annexation of the roadways and area adjacent to Pasteur Drive were considered in the Sand Hill Corridor Environmental Impact Report certified on June 30, 1997 and no further environmental review is required.

ATTACHMENTS
I. Exhibit for Proposed Roadway Easements, Vacation of Easements and Annexations
II. March 15, 2002 Letter from Stanford Requesting Annexation: Sand Hill Road Right-of-way 02-01
III. March 15, 2002 Letter from Stanford Requesting Annexation: Pasteur Drive Right-of-way and Adjacent Land 02-02
IV. March 15, 2002 Letter from Stanford Requesting Annexation: Quarry Road Right-of-way 02-03
V. March 15, 2002 Letter from Stanford Requesting Annexation: Quarry Road Right-of-way 02-04
VI. Resolution Ordering Summary Vacation of Public Utility and Roadway Easements
VII. Resolution Setting the Date for Consideration of Annexation of Area Designated Sand Hill Road Right-of-way 02-01 with Attached Legal Description and Map
VIII. Resolution Setting the Date for Consideration of Annexation of Area Designated Pasteur Drive and Adjacent Land 02-02 with Attached Legal Description and Map
IX. Resolution Setting the Date for Consideration of Annexation of Area Designated Quarry Road Right-of-way 02-03 with Attached Legal Description and Map
X. Resolution Setting the Date for Consideration of Annexation of Area Designated Quarry Road Right-of-way 02-04 with Attached Legal Description and Map

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