TO:  HONORABLE CITY COUNCIL

ATTENTION:  CITY MANAGER  DEPARTMENT: CITY MANAGER

DATE:  JUNE 17, 2002  CMR: 278: 02

SUBJECT:  APPROVAL OF AMENDMENT IN THE AMOUNT OF $27,300 FOR A TOTAL CONTRACT AMOUNT OF $92,300 FOR CONSULTING SERVICES CONTRACT S2140446 WITH DAVID POWERS AND ASSOCIATES TO COMPLETE AN ENVIRONMENTAL IMPACT REPORT FOR THE EDGEWOOD REDEVELOPMENT PROJECT AREA

RECOMMENDATION

Staff recommends that the City Council approve and authorize the City Manager to execute the attached amendment in the amount of $27,300 to a consulting services contract with David Powers and Associates, for a total contract amount of $92,300, for preparation of the Environmental Impact Report for the Edgewood Redevelopment Project Area. Based on the need to move forward in a timely manner with the EIR, staff recommends that the City Council amend the contract without requiring review by the Finance or the Policy and Services Committee.

BACKGROUND

On July 9, 2001, the Palo Alto City Council passed and gave first reading to an ordinance declaring the need for a redevelopment agency in Palo Alto. The Council also declared itself to be the redevelopment agency and made the finding that the formation of a redevelopment agency “will serve the public interest and promote the public safety and welfare in an effective manner” in accordance with the Health and Safety Code Section 33200. The ordinance establishing a redevelopment agency in Palo Alto was adopted on August 6, 2001.

Subsequently, the Edgewood Plaza was designated as a Survey Area and the procedures for adoption of the Redevelopment Plan were initiated.

As a part of the redevelopment plan adoption process, the Draft Environmental Impact Report (DEIR) and Redevelopment Plan were referred to the Planning and Transportation Committee for comment and review.
The DEIR describes the existing environmental conditions in the project area and assesses the environmental impacts of the Redevelopment Plan. The DEIR recommends mitigating measures for construction activities, flood control, visual impacts, cultural resources impacts and transportation impacts. As a part of the Environmental Review Process, two significant impacts were identified. These were:

- Identification of the Edgewood Center as a cultural resource
- Identification of significant unmitigated traffic impacts

At the March 4, 2002 Palo Alto Redevelopment Agency Meeting, the Agency reviewed the DEIR. Several changes were made which were incorporated into the DEIR and the Agency approved circulation and review of the document. Following this meeting, the DEIR was circulated for the 45-day mandatory review period required by CEQA guidelines.

**DISCUSSION**

Over 103 pages of comments were received on the DEIR, many of which address issues such as traffic impacts and density, thus exceeding the City’s expectations of the number of comments that needed to be addressed by the consultant. In addition, to ensure an adequate review of cultural resource impacts, it was determined by the EIR consultant that additional historic analysis would be required. Edgewood is the only known Eichler-developed shopping center constructed.

Additional funds are required to deal with the volume of responses and additional changes to the original scope of work as described.

The consultant, David J. Powers Associates was chosen because it had demonstrated the necessary expertise to complete the Edgewood Project Environmental Impact Report within the designated time frame and could provide adequate information and responses regarding the project’s historical and community significance.

**NEXT STEPS**

In the coming months, other actions may be taken by the City Council/Redevelopment Agency in the adoption of a Redevelopment Plan for Edgewood Plaza, which include:

- Approval of Report to City Council on the Redevelopment Plan
- Adoption of Redevelopment Plan
- Certification Final Environmental Impact Report
- Adoption of Rules for Owner Participation

**RESOURCE IMPACT**
The 2001-02 David J. Powers Associates contract is for $65,000 and must be increased by $27,300 as follows:

- $2,300 for historical analysis of Edgewood Project Area
- $25,000 for additional services necessary to respond to comments and integrate changes into the Final Environmental Impact Report

Funding for this increase is included within the 2001-02 Adjusted City Manager’s Department budget. It should be noted that these expenses will be included within a loan agreement between the City and the Palo Alto Redevelopment Agency. The loan will eventually be repaid with interest as detailed in the Cooperation Agreement between the organizations.

**POLICY IMPLICATIONS**

This recommendation does not represent any change to existing City policies.

**ENVIRONMENTAL ASSESSMENT**

This is not a project under the California Environmental Quality Act and therefore environmental review is not required.

**ATTACHMENTS**

Amendment No. 1 to Consulting Services Contract S2140446 with David J. Powers Associates

PREPARED BY: 
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CITY MANAGER APPROVAL: 
FRANK BENEST
City Manager