Summary Title: Real Property Acquisition 3350 Birch St. for Potential Parkland

Title: Authorize the City Manager to Explore, Negotiate and Potentially Submit an Offer to Purchase Property at 3350 Birch Street (Assessor’s Parcel No. 132-33-050)

From: City Manager

Lead Department: Administrative Services

Recommendation
Staff recommends that the Council authorize the City Manager or designee to explore, negotiate and potentially submit an offer to purchase property located at 3350 Birch Street (Assessor’s Parcel No. 132-33-050).

Background
In Fall 2016, staff learned that a portion of the property located at 3350 Birch Street, in the Ventura neighborhood of Palo Alto, would likely be made available for purchase (Report ID #7987). The property is owned by Pacific Bell Telephone Company but has been commonly referred to as the “AT&T property.” The Parks and Recreation Commission, along with residents in the Ventura neighborhood have recommended that the City Council explore the potential acquisition of this property, which is across a public street from Boulware Park, for possible use as additional parkland.

As of January 24, 2019, the property has been made available without a price (Attachment A).

Discussion
Pacific Bell owns on parcel that consists of several lots adjacent to Boulware Park in the Ventura neighborhood. The parcel totals 1.65-acres (71,807 square feet) improved with a large building on the southeast corner of the site while the remainder is vacant. The large building houses infrastructure for AT&T. This parcel has a Comprehensive Plan Land Use Designation of MISP (Major Institution/Special Facilities) and a Zoning Designation of PF (Public Facility). The AT&T property parcel is bounded by Lambert Avenue to the north, Birch Street to the east, Chestnut Avenue to the south, and Ash Street to the west. Boulware Park is a 1.5-acre neighborhood park situated across the street from the southwest corner of the property. The park includes...
two children’s playgrounds, a basketball court, two picnic areas with barbecues, benches, and a short perimeter pathway. The area surrounding both the Pacific Bell parcel and Boulware Park is a mix of residential, industrial, and commercial land uses.

In January 2019 AT&T selected CBRE to competitively market for sale a portion of the property not including the large building, which AT&T considers excess to its needs. The excess land that is currently solicited for sale is comprised of four lots with a combined land area of 27,829 square feet (0.64 acres), which remains designated as a portion of Assessor’s Parcel No. 132-33-050. Acquisition of the property would allow for the expansion of Boulware Park, which could then meet standard neighborhood park acreage and potentially integrate the street right-of-way between parcels. The property’s location proximate to the North Ventura Coordinated Area Plan study area also enhances potential connectivity with the Fry’s site. The subject property is not located in a “park search area” as defined by the Parks Master Plan; however, it is near two other park search areas which are the most densely populated areas in Palo Alto.

**Timeline**
CBRE has indicated that it wishes to receive offers by late February 2019.

**Resource Impact**
The offer to purchase will be made at fair market value, to be determined through negotiation with the seller. Given the uncertainty of purchase price at this time, resource impacts will be better defined at a later date. Considerations will be cost and availability of funding, including whether acquisitions should be designated as a priority over other parks improvements and whether this potential acquisition should be prioritized over other City parks and recreation projects. The Council approved Parks Master Plan, provides park, open space and recreation improvement recommendations over a 20 year time horizon and the majority of the projects and programs identified are currently unfunded.

Parkland Development Impact Fees, which exist to fund acquisition of land and improvements for neighborhood and district parks, is expected to have a balance of $2.7 million after planned park improvements scheduled in the Fiscal Year (FY) 2019-2023 Five Year Capital Improvement Plan. In addition, the Parkland Dedication Fees ordinance was adopted by Council in 2006 pursuant to the Quimby Act and applies to residential subdivisions only. Per the Quimby Act, the dedicated land or fees, or combination thereof, shall be used only for the purposes of developing or rehabilitating neighborhood or community parks or recreational facilities to serve the subdivision for which the land was dedicated, or fees were paid. Further investigation will be needed to determine if any of the parkland dedication balance could be used in the Ventura neighborhood; $1.2 million is expected to remain after planned park improvements scheduled in the FY 2019 -2023 Five Year Capital Improvement Plan. To the extent general funds would be required for acquisition costs, implications for the citywide capital improvement program and other financial priorities should be considered.
Policy Implications

The Parks, Trails, Natural Open Space and Recreation Master Plan (Adopted September 2017) includes “acquire parkland in high-need areas” as a high-priority project. **Policy 1.B in the Parks Master Plan** includes a policy aimed at expanding parkland inventory using the National Recreation and Park Association standard of 4 acres/1,000 residents as a guide. The policy states that parkland should expand with population, be well distributed across the community and be of sufficient size to meet the varied needs of neighborhoods and the broader community.

The 2030 Comprehensive Plan includes the following policy:

**Policy C-4.6 Use the National Recreation and Park Association Standards as guidelines for locating and developing new parks.** These guidelines are as follows:

- Neighborhood parks should be at least two (2) acres in size, although sites as small as ½-acre may be needed as supplementary facilities. The maximum service area radius should be ½-mile. Two acres of neighborhood park land should be provided for each 1,000 people.
- District parks should be at least five (5) acres in size. The maximum service area radius should be one (1) mile. Two acres of district park land should be provided for each 1,000 people.
- A park should be provided within walking distance of all residential neighborhoods and employment areas. The National Recreation and Park Association defines walking distance as ½-mile.

**Environmental Review**

The potential acquisition of land for use as a park is exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15316 (Transfer of Ownership of land in Order to Create Parks). Staff will conduct CEQA review in conjunction with any park development plan that may later be proposed for the site.

**Attachments:**
- Attachment A: Property Fact Sheet
LAND FOR SALE

ASH ST @ LAMBERT AVE
PALO ALTO, CA

CORE SILICON VALLEY
DEVELOPMENT OPPORTUNITY

RARE PALO ALTO LOCATION

27,829 SQUARE FEET

POTENTIAL LAND USE:
RESIDENTIAL, COMMERCIAL,
INDUSTRIAL

APN - 132-33-050 (POR)

CBRE
PROPERTY DETAIL

Size
27,829 Square Feet

Address
3350 Birch Street
Palo Alto, CA

APN
132-33-050 (POR)

Current Zoning
PF - Public Facility

Comprehensive Plan
MISP

Planned Zoning
RM: Multiple Residential
CS: Service Commercial
FOR MORE INFORMATION, CONTACT

GREG PONCETTA
Senior Vice President
Lic. 01218360
+1 408 453 7460
greg.poncetta@cbre.com

MARK RUSSELL
Senior Vice President
Lic. 01237945
+1 408 453 7465
mark.russell@cbre.com

JEFF AGUILAR
Senior Associate
Lic. 01885083
+1 408 453 7748
jeff.aguilar@cbre.com

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