TO: PLANNING & TRANSPORTATION COMMISSION  
FROM: Steven Turner, Senior Planner  
        Whitney McNair, Contract Planner  
DATE: January 24, 2007  
SUBJECT: Study Session for the Stanford Shopping Center Expansion Project

PURPOSE OF THE STUDY SESSION
The purpose of the study session is to allow for early Planning and Transportation Commission (Commission) review and input regarding the benefits and challenges of the proposed project, information needs, and public outreach efforts for the Stanford Shopping Center expansion project.

BACKGROUND
In 2005, the Mayor’s Retail Attraction Committee (RAC) identified several ways to attract and retail local businesses. One element included enhancing Stanford Shopping Center (SSC) and assisting the Center to become more competitive to other regional shopping centers. The RAC and City Council generally indicated support for helping maximize the Shopping Center’s potential for expansion and revenue enhancement to the City. The City Council has also identified the Shopping Center expansion as a key potential source of revenue as part of the City’s efforts to add on-going revenue.

The SSC comprises the area located between Sand Hill Road, El Camino Real, Quarry Road and Vineyard Lane. The site includes a total of 70 acres, with 54 acres in the main shopping center area and an additional 15.88 acres in the area between Arboretum Road and Vineyard Lane. The area is zoned Community Commercial (CC). A vicinity map is provided as Attachment A.

At the December 11th study session, the City Council provided feedback on issues and project timing. On December 13, 2006, the Commission held a Study Session to review the process and timeline for this project. This feedback was then presented to the City Council at a meeting on December 18, 2006, at which time the City Council 1) authorized staff to commence the process for review of the project; 2) authorized the city manager to sign an agreement for Simon Property Group to reimburse the City for costs incurred with processing the application, and 3) authorized
the city manager and other senior staff to initiate discussions and negotiations of a Development Agreement.

**DISCUSSION**
The Simon Group is proposing to expand Stanford Shopping Center (SSC) with approximately 240,000 square feet of retail expansion space distributed throughout the site. The current shopping center contains approximately 1.4 million square feet of retail stores. The project includes new pad buildings along the front of the SSC towards El Camino Real, in the area east of Bloomingdales, and in the area currently occupied by an older parking deck at the corner of Shopping Center Way and Arboretum Road. Simon also proposes a 120-room hotel with conference and meeting room facilities focused primarily on serving Stanford University, the Stanford Medical Center, and the Stanford Shopping Center. The location of the hotel has not yet been determined but is proposed to be located either at the corner of Quarry Road and Arboretum Road or at the corner of Quarry Road and Pear Lane. Two new levels of parking are also proposed on top of the newly constructed parking garage on the east side of the SSC. Conceptual project plans are included as Attachment B.

City of Palo Alto Comprehensive Plan Policies and Programs
The City’s Comprehensive Plan has several policies and program that will help shape the review of the Project. These include:

*Policy B-22:* Work with Stanford University to ensure that the Stanford Shopping Center is sustained as a distinctive, competitive, high quality regional shopping center.

*Policy L-26:* Maintain Stanford Shopping Center as one of the Bay Area’s premiere regional shopping centers. Encourage any new development at the Center to occur through infill, including development on existing surface parking lots.

*Program L-23:* Identify strategies to reuse surface parking lots and improve pedestrian and transit connections at Stanford Shopping Center.

*Program L-24:* Maintain a Stanford Shopping Center development cap of 80,000 square feet of additional development beyond that existing on June 14, 1996.

*Policy L-27:* Pursue redevelopment of the University Avenue Multi-modal Transit Station area to establish a link between University Avenue/Downtown and the Stanford Shopping Center.

**Key Issues and Information Needs**
The City Council, the Commission and the community have voiced concerns at the previous study sessions that include:

a) Land Use/Intensity- What is the appropriate level of intensity to respond to retail trends while maintaining compatibility with the surrounding Palo Alto community?

b) Urban Design- How would the project contribute to a compact, pedestrian oriented development with a mix of uses that would reduce reliance on automobiles?
c) Height- How would the project maintain the scale and character of the City and avoid abrupt changes in scale and density between residential and non-residential areas? How would off-site views be protected?

d) Transportation/circulation/transit- How will the project promote and encourage walking, biking and public transit use? Analysis and findings should incorporate:

- Traffic impacts and mitigation
- Goal of “no net new trips”
- Promotion of pedestrian and bicycle connections
- Expansion of the shuttle and/or transit programs
- Effective TDM program
- Linkages to University, Medical Center, Transit Center, and Downtown- clearly defined and designed connections between the project, adjacent uses and nearby public services for pedestrians, bicycles public transit and automobiles;

e) Housing- How much additional housing would be required to serve the new employees at the expanded retail areas? Where would it be located?

f) Sustainability and Green Building- How would the project achieve specific sustainability and green-building goals that are consistent with the City’s sustainability policies;

g) Open Space- How would the project protect or provide for open space? Could additional hillside lands be protected as mitigation for the increased intensity if the project is approved?

h) Public Services- How would the project address the increase in demand for water, gas and electric utilities, schools, parks and libraries?

Staff and the City’s consultants are beginning to prepare information to address many of these issues, including:

a) Traffic counts at all affected intersections in Palo Alto and Menlo Park, with comparisons to projections made at the time of the Sand Hill Road Corridor Project and EIR;

b) Economic/market analysis of the shopping center viability and economic benefits, and of the feasibility and type of hotel;

c) Analysis of employment projections and potential housing demand;

d) Schematic options for enhanced connections to surrounding areas, including Stanford Medical Center, Palo Alto Transit Center and downtown; and

f) Availability of utilities and other public services.

Many of these issues will be analyzed as part of the EIR. Staff is expected to have preliminary traffic information and analysis at the next Commission meeting in March.

Project Timeline

An updated project timeline is contained in Attachment C. Based on input from the City Council and the Commission the following changes have been incorporated:

- The initial Commission Study Session was moved forward to January 24, 2006;
- The number of Architectural Review meetings in Phase II has been reduced from three to two;
• An additional City Council Study Session (October 2007) was added prior to release of the draft EIR in Phase II, prior to the initiation of the development agreement negotiations; and
• Other wording changes were incorporated per Commission and Council direction.

Community Outreach
A community kickoff meeting is scheduled for February. The meeting would be a general meeting open to all members of the community and will include a project overview by the applicant, an overview of the timeline by City staff and an open period for questions and answers, and identification of issues.

NEXT STEPS
A request for proposals (RFP) has been sent to environmental consulting firms to solicit proposals to prepare a joint Environmental Impact Report (EIR) to also address the Medical Center expansion. Representatives from Simon Property Group are expected to submit a conceptual application in February/March for this project, including proposed land use and site modifications. A Community Meeting is scheduled for February. A second Commission study session is tentatively scheduled for March and will include a project update and available traffic and other relevant info for this project and the Stanford Medical Center expansion.

ATTACHMENTS
A. Vicinity Map
B. Conceptual Plans
C. Updated Project Timeline

COURTESY COPIES
City Council
Art Spellmeyer, Simon Property Group
John Benvenuto, Simon Property Group
Geno Yun, ELS Architecture and Urban Design
William T. Phillips, Stanford Management Company
Jean McCown, Stanford University Public Relations Office
Charles Carter, Stanford University Planning Office

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