TO: PLANNING & TRANSPORTATION COMMISSION
FROM: Steven Turner, Senior Planner
      Whitney McNair, Contract Planner
DATE: January 24, 2007
SUBJECT: Study Session for the Stanford University Medical Center Modernization and 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, public outreach efforts and the revision of the Stanford University Medical Center Land Use Area Plan for the Stanford Hospital expansion and modernization project.

BACKGROUND
On November 20, 2006 the City Council held a study session with representatives from the Stanford University Medical Center to discuss concepts for the expansion and the modernization of the existing Hospital and School of Medicine facilities. Stanford University proposes to demolish the existing Main Stanford Hospital at 300 Pasteur Drive and construct a new hospital building. The reconstruction of the Hospital is required to comply with State law mandate SB 1953 to meet seismic safety standards. The current hospital has a license to operate 613 beds; however the hospital currently utilizes only 456 beds. The proposal would add 144 beds for a total of 600 beds. The reconstruction and expansion would allow changes to the room configuration to increase the number of single rooms for privacy and patient comfort, increase the size and capacity of the Emergency Room and to allow room for advanced medical technologies. The proposed hospital design has a vertical organization of rooms and includes three nursing towers over a two-story platform housing the basic hospital functions. A total building height of 130 feet is proposed for the towers.

The project includes renovating and expanding Lucile Salter Packard Children’s Hospital and several Medical School buildings. The expansion of the Children’s Hospital includes an increase in the current license capacity by 104 private beds for a total of 361 beds. There are three School
of Medicine buildings that are proposed for redevelopment with a small increase in the amount of building square footage. The project also includes 200,000 square feet of new medical office space at the Hoover Pavilion, intended predominantly for use by community medical practitioners, as well as an expansion of the Lucile Packard Children’s Hospital.

The renovation and expansion project, which would be constructed over an approximate 20-year horizon, would result in a net increase of approximately 1.3 million square feet of floor area. Below is a table with the proposed approximate square footages:

<table>
<thead>
<tr>
<th>Facility</th>
<th>Existing SF</th>
<th>Additional SF</th>
<th>Demolition SF</th>
<th>Net SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stanford Hospital and Clinics</td>
<td>1,555,600</td>
<td>1,629,000</td>
<td>(705,000)</td>
<td>923,800</td>
</tr>
<tr>
<td>Lucile Packard Children’s Hospital</td>
<td>329,100</td>
<td>425,000</td>
<td>(23,500)</td>
<td>401,500</td>
</tr>
<tr>
<td>School of Medicine</td>
<td>485,700</td>
<td>447,700</td>
<td>(433,500)</td>
<td>14,200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,370,400</strong></td>
<td><strong>2,501,700</strong></td>
<td><strong>(1,162,200)</strong></td>
<td><strong>1,339,500</strong></td>
</tr>
</tbody>
</table>

At the November 20th 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 Stanford 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.

The applicant has not submitted an application or plans for staff review. A conceptual application is expected to be filed in March, 2007.

**DISCUSSION**

The Stanford University Medical Center includes Stanford Hospital and Clinics, the Lucile Salter Packard Children’s Hospital and the Stanford School of Medicine. The Medical Center is located on approximately 85 acres of Stanford lands in the vicinity of Sand Hill Road and Pasteur Drive in Palo Alto and also includes several parcels located along Quarry Road that are within Santa Clara County connecting Hoover Pavilion with the main hospital area. A vicinity map is contained in Attachment A.

**City of Palo Alto Comprehensive Plan Policies and Programs**

The City’s Comprehensive Plan includes several policies and programs that will help shape the review of the Project. These include:
Policy B-32: Assist Stanford Medical Center in responding to changes in the delivery of health care services. Work with the center to plan for changing facility needs, but within the context of City of Palo Alto planning goals and policies, as well as the goals and policies of other relevant jurisdictions.

Policy L-2: Maintain an active cooperative working relationship with Santa Clara County and Stanford University regarding land use issues.

Policy L-45: Develop the Stanford Medical Center in a manner that recognizes the citywide goal of compact, pedestrian oriented development as well as the functional needs of the Medical Center.

Program L-46: Work with Stanford to prepare an area plan for the Stanford Medical Center. An area plan for the Medical Center should address building locations, floor area ratios, height limits, and parking requirements. It should discuss the preservation of historic and open space resources and the protection of views and view corridors. The plan should describe improvements to the streetscape and circulation pattern that will improve pedestrian, bicycle, transit, and auto connections.

Program L-2: City staff will monitor Stanford development proposals and traffic conditions within the Sand Hill Road corridor and annually report to the Planning Commission and City Council.

Policy T-26: Participate in the design and implementation of comprehensive solutions to traffic problems near Stanford Shopping Center and Stanford Medical Center.

Program T-35: Consider increased public transit, a shuttle, and other traffic and parking solutions to ensure safe convenient access to the Stanford Shopping Center/Medical Center area.

Program T-37: Provide safe, convenient pedestrian, bicycle, and shuttle connections between the Stanford Shopping Center and Medical Center areas and future housing along the Sand Hill Road corridor, the University Avenue Multi-Modal Transit Station, Downtown Palo Alto, and other primary destinations.

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 health care delivery needs while maintaining compatibility with other campus buildings and 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, Shopping 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 needed to serve the new facilities? 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) Community medical practitioners- Will the project provide medical office space within for medical practitioners who serve the local population and are being displaced due to the project?

h) Effect on Ronald McDonald House services and impacts of expansion- How will the Medical Center expansion affect the service needs at this facility?

i) Surge Capacity- How would the project affect the hospital’s ability to accommodate a surge of patients during a disaster?

j) Open Space- How would the project impact open space and associated uses? Could additional hillside lands be protected as mitigation for the impact if the project is approved?

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

Staff and City 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) Peer review of the hospital design parameters to determine whether the scope of the project is appropriate and necessary for enhanced health services;

c) Analysis of employment projections and potential housing demand;

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

e) Availability of utilities and other public services.

Many of these issues will be analyzed as part of the EIR. Staff expects to have preliminary traffic information and analysis at the next Commission meeting in March.
The Commission should provide comments on these and other issues of concern, as well as information needs that will be useful in the Commission’s future deliberations.

**Stanford University Medical Center Land Use Area Plan**

Program L-46 of the 1998 Palo Alto Comprehensive Plan directed the preparation of an area plan for this area:

> Work with Stanford to prepare an area plan for the Stanford Medical Center. An area plan for the Medical Center should address building locations, floor area ratios, height limits, and parking requirements. It should discuss the preservation of historic and open space resources and the protection of views and view corridors. The plan should describe improvements to the streetscape and circulation pattern that will improve pedestrian, bicycle, transit, and auto connections.

In June 2000 a Stanford University Medical Center Land Use Area Analysis was prepared for the City of Palo Alto, Stanford University, Stanford Hospital and Clinics and Lucile Salter Packard Children’s Hospital (Attachment D). This Land Use Area Analysis addressed programming and infrastructure needs along with campus planning and community design principles and goals for the Stanford University Medical Center as were anticipated at the time the Cancer Treatment Center was proposed.

The June 2000 Area Analysis goal was to renovate, infill, and increase the density within the urbanizing Medical Center core, allowing the opportunity to preserve, enhance, and create linkages to adjacent residential areas and open space systems, housing, the campus, and regional transit.

The largest portion of the site area falls within the zoning jurisdiction of the City of Palo Alto. The majority of land is presently zoned Public Facilities (PF). There were, at the time, several parcels, including the site proposed for the Hospital, zoned Office Research OR. The Area Analysis recommended zone district changes and site development regulations that would support the Area Analysis’ principles. The June 2000 Area Analysis included three possible changes to the development standards: 1) consolidation of all non-residential zoning into the Public Facilities (PF) zoning category for consistency of all land use designations for the medical complex; 2) allowance for a 1.0 FAR on all parcels south and east of Welch Road that would yield an additional 400,000 SF of additional development capacity, including the Center for Cancer Treatment and Prevention/Ambulatory Care Pavilion (CCTC/ACP) at 220,000 gross square feet (completed in 2003); and 3) an increase in height from 50’ to 75’ to recognize the increasing floor-to-floor heights needed in hospitals and clinics required by code and/or contemporary engineering support systems.

The zone changes from OR to PF, including a floor area ratio of .5 to 1.0 for some properties south and east of Welch Road were completed in 2002. Zone changes for the OR zoned properties north and west of Welch Road resulted in renaming the district as Medical Office and Medical Research (MOR) District and were completed in October 2005. No changes have been made to the maximum height, which is currently 50 feet within these districts.
The 2000 Area Analysis also included information on existing City policies and direction. Any future increase in floor area ratio standards would be concentrated “inward” of Welch Road, including the proposed hospital site at 1101 Welch Road. The policy statements also stated that any future approved height increases above what is normally allowed under current zoning should be related to transit-oriented uses. Stanford was to demonstrate that an increase in height does not necessarily mean an increase in floor area and that there are no adverse impacts to surrounding land uses or buildings.

The 2000 Area Analysis was not approved or adopted, but was intended to provide context and framework for the subsequent project-specific reviews.

**Proposed Area Plan Revisions**

The June 2000 Area Analysis will be used as a baseline document for the updated Area Plan, but will be revised to address the project program, infrastructure needs, and design principles of the proposed modernization and expansion project. Revisions to the plan will focus on the geographical area identified by the existing analysis, but will also address key areas of influence such as linkages between the hospital, the university, the shopping center and the transit center. A joint EIR will be prepared for this project and the Stanford Shopping Center expansion, providing extensive analysis of most of these issues.

The revised Area Plan is expected to include the following sections:

I. Introduction:
   i. Medical Center history;
   ii. Area Plan purpose and background;
   iii. Governance between Stanford, County of Santa Clara and City of Palo Alto;
   iv. Comprehensive Plan and Zoning policies and regulations

II. Facilities Modernization and Expansion Needs for each component of the project

III. Area Plan Elements, including goals, land use issues, vehicular access and circulation, pedestrian, bicycle and transit circulation, urban design/character; open space; sustainability and “green-building”

IV. Zoning and Land Use Regulations, including zone changes, floor area, height, parking, and open space

V. Implementation, including preparation of plans, transportation, housing, sustainability and “green building” goals.

Attachment B includes a draft Table of Contents for the Area Plan revisions. Staff is seeking input from the Commission regarding the organization of and approach to the Area Plan.

**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). Representatives from Stanford Medical Center are expected to submit a conceptual application in February/March for this project, including proposed land use, zoning and Area Plan modifications. A Community Meeting is scheduled for February. A second Commission study session is tentatively scheduled for March and will include a project update, identification of specific Area Plan parameters, and available traffic and other relevant info for this project and the Stanford Shopping Center expansion.

ATTACHMENTS
A. Vicinity Map
B. Stanford University Medical Center Land Use Area Plan Draft Table of Contents
C. Updated Project Timeline
D. Stanford University Medical Center Land Use Area Analysis, June 2000 (Commissioners only)

COURTESY COPIES
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John Benvenuto, Simon Property Group
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DEPARTMENT/DIVISION HEAD APPROVAL: ________________________________
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