



City of Palo Alto

City Council Staff Report

(ID # 10466)

Report Type: Informational Report

Meeting Date: 6/24/2019

Summary Title: Potential Purchase of 27,829 Square Feet of 3350 Birch Street

Title: Status of the Potential Purchase of 27,829 Square Feet of Vacant Land Adjacent to 3350 Birch Street

From: City Manager

Lead Department: Administrative Services

Recommendation

This is an informational report and no Council action is required.

Background

In Fall 2016, staff learned that a portion of the property owned by Pacific Bell Telephone Company, located at 3350 Birch Street, across a public street from Boulware Park, in the Ventura neighborhood of Palo Alto, would likely be made available for purchase ([Report ID # 7987](#)). The property was listed for sale in January 2019 without an asking price and on February 25, 2019, City Council voted unanimously to grant the City Manager authorization to explore, negotiate, and potentially submit an offer to purchase the property ([Report ID # 10061](#)).

Discussion

The City entered into contract on May 17, 2019 to acquire an approximate 27,829 square foot (0.64 acres) portion of the property located at 3350 Birch Street. Pacific Bell will retain the remainder of the property which houses infrastructure for AT&T. The property is bound 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 area surrounding the property and Boulware Park is a mix of residential, industrial, and commercial land uses. The property has a Comprehensive Plan Land Use Designation of MISP (Major Institution/Special Facilities) and a Zoning Designation of PF (Public Facility).

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 the 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.

A Phase I Environmental Site Assessment (ESA) was ordered by the City and two preliminary findings resulted: 1) identification that this site was historically occupied by greenhouses for a few decades, and 2) the property is located approximately 400 feet away from the designated margin of a regional groundwater contamination plume associated with the Hewlett-Packard - Varian National Priorities List site. As a result of these findings, staff and the consultant agree a phase II assessment is needed to evaluate the physical environment through testing. Staff is working to begin this phase II ESA and it is anticipated to take up to five weeks to complete.

In light of these findings, staff and the seller, Pacific Bell, have agreed to a 60-day extension to September 13, 2019 to complete inspection of the property and proceed with the sale. This additional time will provide for the necessary technical work and potential identification of necessary mitigations.

In addition to the ESA, Pacific Bell provided a report that identifies a five-foot-wide water line easement running along near the eastern perimeter of the property that will need to be recorded through escrow. The water line benefits Pacific Bell's remaining property. However, the City may require the water line to be relocated, at its cost, onto Pacific Bell's remaining property upon 30 days written notice.

Staff is continuing to work through the details of this acquisition and anticipates bringing the final purchase agreement forward for City Council approval in September.