



City of Palo Alto

City Council Staff Report

(ID # 9901)

Report Type: Action Items

Meeting Date: 2/4/2019

Summary Title: Stanford GUP DA Comment Letter

Title: Provide Direction to Staff on a Letter to the Santa Clara County Planning Department Regarding Requested Terms for Inclusion in a Possible Development Agreement Between the County and Stanford University Related to the General Use Permit Application

From: City Manager

Lead Department: Planning and Community Environment

RECOMMENDATION

Staff recommends the City Council:

1. Provide direction to staff on key issues the Council would like addressed in a development agreement between Stanford University and Santa Clara County.
2. Direct staff to prepare a letter, signed by the Mayor, to the County Board of Supervisors that reflects Council's direction.

BACKGROUND

On January 3, 2017 Stanford Leland Jr. University (University) applied for a General Use Permit (GUP). The GUP is a Santa Clara County application that once approved, will prescribe how much future development can occur on the University's campus over the next 17 years. The County Board of Supervisors (Supervisors) is the decision-making body on this application, not the City of Palo Alto.

Accompanying the GUP application is a development agreement (DA) application that the University filed last summer. A DA is an agreement between two or more parties that typically vests certain development rights in exchange for a negotiated and mutually agreed upon set of public benefits. Stanford University proposed certain terms, but County staff has reported a number of concerns to the Supervisors. In response, the Supervisors formed an Ad Hoc committee to receive input from impacted jurisdictions as a means to solicit feedback on public benefits that may be incorporated into the agreement. The purpose of this staff report is to

highlight and receive City Council direction on the key issues that should be communicated to the Supervisors for consideration in their negotiation with the University.

The subject GUP application proposes approximately 2.275 million square feet of additional academic space, 40,000 square feet of child care and support facilities and 3,150 new dwelling units/beds for faculty and students on campus. The project is subject to environmental analysis and in accordance with the California Environmental Quality Act (CEQA), the County prepared an environmental impact report (EIR). A draft EIR was released on October 6, 2017 for public comment. A recirculated draft EIR was released in June 2018 to include an analysis of anticipated housing demand from the project; this analysis was presented as two new alternatives and also received public comment. The City of Palo Alto and other jurisdictions, including the Palo Alto Unified School District, noted a variety of concerns with both documents. A final EIR was released on December 11, 2018. City staff along with its consultants are reviewing this report and continue to have concerns regarding the adequacy of the document under CEQA. Staff anticipates preparing a letter to the County regarding these deficiencies to preserve the City's options should the DA negotiations fail to produce results that fully mitigate impacts of the proposed development.

DISCUSSION

Development agreement negotiations are anticipated to begin in February between Santa Clara County and the University; the County will also likely begin drafting conditions of approval that apply to the GUP. Public hearings are scheduled to occur before the County Planning Commission in March / April and in May / June before the Supervisors.

Staff has heard a number of concerns from Palo Alto residents and the school district with respect to the proposed expansion. Some City departments are also concerned about how the project may impact certain services. When preparing the recommended list below, staff focused on those impacts that were most relevant to the City's interests, directly related to the proposed expansion, or mutually benefitted the City and the University. Beyond the recommended list, other topics are provided that the Council may want to consider forwarding to the Supervisors. However, the more requests made of Stanford, both the University and the Supervisors may be unwilling to accept or advance those interests. Furthermore, many jurisdictions are monitoring this project and will likely prepare their own recommendations for inclusion in the DA.

Recommended for Inclusion in DA Discussions¹

¹ Mayor Filseth sent a letter to the Board of Supervisors President expressing City support for PAUSD and a shared interest that the University fully mitigates its impacts to the school district. This letter is included with this report as Attachment A.

1. Funding for Design Concepts Related to University Avenue CalTrain Station Improvements, the Transit Center, Grade Separation at Palo Alto Avenue and a Downtown Coordinated Area Plan.

This recommendation includes a request for one million dollars (\$1,000,000) to cost share the preparation of a Downtown Coordinated Area Plan (Downtown CAP) that would look at grade separation alternatives at Palo Alto Avenue, changes to the Caltrain station to accommodate electrification, including a raised platform, and alternatives to improve the multi-modal functionality of the Transit Center. Included in this design concept would be alternatives to improve bicycle and pedestrian movement around the station and create a more welcoming experience for transit riders whose final destination is toward the University or Downtown Palo Alto. The Downtown CAP will also address urban design, infrastructure, parking, mobility and land uses for the City's Downtown, as well as include preparation of any required environmental analysis. With this recommendation, the City would seek to maximize any grant funding resources, and seek funding from other affected institutions, but City funding, beyond staff resources, is also anticipated.

Preliminary analysis by the Metropolitan Transportation Commission indicates that improvements to the transit center can reduce bus travel time up to five minutes. This represents a significant transit enhancement that benefits riders and transit providers. For many, this station also serves as the entry to the University and there are opportunities to enhance the quality of this space and movement of people to their final destination. The University currently, and in the future with the proposed project, will rely heavily on this Caltrain station to meet their No Net New Commute Trip (NNNCT) efforts. The City and the University, as well as other parties would benefit from a well-developed coordinated plan.

2. Fair-share funding for infrastructure and design enhancements that are approved and implemented from the adoption of the Downtown CAP.

A percentage of Stanford Affiliates² use Caltrain, which will increase with the proposed campus expansion. The Caltrain electrification project will add passenger cars and increase train frequency to respond to increased ridership, including riders to and from the University. Electrification requires Palo Alto and other jurisdictions to participate with Caltrain on grade separation projects or face substantial traffic congestion and other impacts. Residents, workers, and commuters, including Stanford Affiliates, will all experience delays, increased driver frustration and other quality of life impacts without grade separation.

² Includes faculty, students and employees.

The City of Palo Alto is using the Downtown CAP as a means to evaluate grade separation at Palo Alto Avenue, enhance the transit center and examine multi-modal access to and around the station to nearby destinations. Implementation of infrastructure improvements, design enhancements and wayfinding will benefit the University and transit providers including VTA, SamTrans and the University's Marguerite Shuttle. As a key landowner and primary benefactor of future improvements, it is appropriate that the University have a significant role in the planning and implementation phases of the Downtown CAP. Staff recommends the City Council encourage the Supervisors to work with the City and the University to determine a fair, cost-sharing framework to implement the Downtown CAP with appropriate expectations and guidelines for administration and dispute resolution as part of the DA.

3. Fair-share Funding for Grade Separation at Charleston.

The County prepared final EIR states the proposed expansion will result in a significant and unavoidable traffic impact at the Charleston/Alma intersection due to the proposed expansion's reverse peak hour traffic. Mitigation is proposed that would add a northbound turning lane on Charleston Road, but this solution conflicts with the City's Bicycle and Pedestrian Master Plan. Grade separating CalTrain tracks at this location would improve the operation of this intersection and address the project-related traffic impact. The Council may want to consider requesting the Supervisors apply any mitigation at this intersection toward the Charleston grade separation and further require an analysis that would fairly evaluate all University bound traffic through this intersection (existing and anticipated) as a means to allocate fair-share costs toward grade separation. This analysis and funding would need to be completed in a timeframe consistent with the City's work to address grade separation at this location.

4. Contribution to the City's Affordable Housing Fund.

The City of Palo Alto is the jurisdiction most impacted by existing campus operations and the proposed expansion. According to County staff, based on self-reported data from the University, nineteen percent (19%) of Stanford Affiliates reside in Palo Alto. This demand for housing will increase with the proposed expansion. The County's updated recirculated draft EIR estimates an approximate 2,500 additional housing unit are needed to accommodate the University's expansion in addition to the 3,150 new housing units/beds included in the GUP application. Each new Stanford Affiliate creates a demand for new services (jobs) and new housing. While the Supervisors recently adopted a new affordable housing impact fee that applies to the University, this money is controlled and distributed by the County and may or may not directly benefit Palo

Alto. The University has recently filed a lawsuit against the County regarding the adoption of this new housing impact fee.

To help mitigate housing-related impacts associated with the University's academic growth, staff recommends the City Council request the Supervisors require the University to pay the City an affordable housing impact fee for any development within the City's Sphere of Influence, which generally extends from El Camino Real to Junipero Serra Boulevard. The City could request this fee be tied to the City of Palo Alto's housing impact fee with payment due prior to issuance of any County building permit. Based on the proposed expansion and the City's current fee schedule, this would represent approximately \$82,400,000 dollars over the course of 17 years. Alternatively, the Council may consider other options to request upfront money to facilitate timelier development of affordable housing units that will be required as a growth inducing impact of the project.

5. Long Term Preservation of the Foothills from Development.

The County released the Stanford University Sustainable Development Study Supplement³ on September 1, 2018. This document informs a key question concerning the University's ultimate buildout potential and concludes that over the next 100 years campus development can be contained within the Academic Growth Boundary (AGB). Beyond this timeframe the report anticipates societal and technological changes will extend the carrying capacity of the AGB further reducing pressure for development in the foothills. The 2000 GUP included a provision that required a supermajority 4/5^{ths} vote by the Supervisors to allow development in the foothills allowing only minor academic and research support uses and activities (such as barns and farming-related uses). Staff recommends the Council seek to continue, and strengthen this requirement based on the conclusions of the sustainability study. For instance, precluding any development through 2100 or some other time horizon will provide a level of certainty to Palo Alto residents that the foothills will be protected and allow the Supervisors by a 4/5^{ths} vote to approve minor academic support facilities consistent with the type of development that has occurred with the 2000 GUP.

6. Upstream Flood Water Detention.

Palo Alto and other communities downstream from the University have endured repeated flood events. The San Francisquito Creek Joint Powers Authority (SFCJPA) working with Palo Alto and other partners is completing construction of two major capital projects downstream of the University. The SFCJPA has been in discussion with the University regarding options for an upstream flood water detention project at

³ <https://drive.google.com/file/d/1mlq6mDuW3pMvl-5O-XCetmGBrPWHT-PE/view>

Searsville dam or other location. The SFCJPA has prepared a letter to the County that staff recommends the Council support for inclusion in the DA. Specifically, staff recommends the University join the City of Palo Alto, the SFCJPA and other partners to provide the land and fair share funding necessary to install upstream storm water detention facilities adequate to control downstream flows that reduces the risk of flooding. The SFCJPA letter to the Supervisor's is provided in Attachment B.

Staff has identified the following additional items for Council deliberation and possible inclusion in a request to the Supervisor's for the DA discussion.

A. Housing Development within the Academic Growth Boundary (AGB) and Roadway Impacts

The County's recirculated DEIR concludes approximately 2,500 additional on-campus housing units are needed to meet increased housing demand generated by the proposed expansion. The University proposes to construct 3,150 housing units/beds, including 550 deed restricted affordable housing units.

To fully mitigate project related impacts, the Supervisors may require additional housing on campus. More on campus housing is expected to have the greatest impact to the City of Palo Alto as more localized trips and reverse commute trips can be anticipated. If additional on campus housing is required, the City Council may want to assert the need for a study to evaluate the physical impact on Palo Alto's local and collector street system and payment of an ongoing fair share contribution for maintenance to the City's impacted roadway.

B. County Collected Affordable Housing Funds.

The 2000 GUP had a restriction that any affordable housing funds collected by the County were to be used for projects that were located within six miles of the academic growth boundary. The University has proposed modifying this standard to support affordable housing projects within one half mile of a transit corridor. The City Council may want to consider requesting the Supervisors retain the six mile radius or require housing funds generated from the housing development fee to be spent on projects within one half mile of a fixed rail location.

C. College Terrace Neighborhood Parks.

The University has indicated as part of its project description that, based on current levels of Stanford Affiliate use, it would provide a \$375,000 one-time payment to the

City for the four parks⁴ located in the College Terrace neighborhood. This payment is not provided to mitigate an environmental impact, but in recognition that future Stanford Affiliates are most likely to use these parks. Staff supports this aspect of the project and recommends the Council consider encouraging the Supervisors also include an on-going (annual) park maintenance contribution to the City based on a proportion of the City's annual maintenance budget for these four parks to offset the recognized impacts of future Stanford Affiliates over the next 17 years.

D. Palo Alto Shuttle Support.

The University has demonstrated its success in running an effective shuttle program with its Marguerite Shuttle. The City's shuttle program is smaller and does not achieve desired ridership but remains an essential transportation solution for many in the community. The City Council may want to consider if there are opportunities for the University to replace the City's shuttle program with enhanced service in addition to crosstown service. Some residents have expressed concerns that increased Marguerite Shuttle service in town may result in more Stanford Affiliates parking on residential streets that do not have parking time restrictions.

E. Bol Park Path Improvements.

This pathway is a key connection from the University to Stanford Research Park and can be used by Stanford Affiliates and PAUSD students. The University can use trip credits from the Bol Park Path to achieve NNNCT goals. To make the necessary improvements an easement for bicycle / pedestrian improvements on University property at Hanover Street between California and Page Mill Road would be needed, as well as \$250,000 for signal modifications or other physical improvements required for the pathway.

F. Various Topics.

As directed by Council, staff could explore other requests that relate to the following topics, however, while important to the community, these requests are mostly related to additional funding and would compete with the larger policy objectives provided above.

- Funding for the implementation of the City's 2012 Bike and Pedestrian Plan, including Safe Routes to Schools, for areas that directly benefit the University;
- Funding for crossing guard program in areas impacted by University traffic and frequency of use by Stanford Affiliates and their families.

⁴ Terman, Weisshaar, Cameron and Mayfield Parks

- Where Stanford Affiliates impact residential neighborhood parking in Palo Alto, require contribution of funds to the City to be used for establishing Residential Parking Permit programs including parking use study, infrastructure and on-going administration.

Conditions of Approval

In addition to addressing project-related impacts to the City through the DA, staff is also reviewing the past GUP (2000) for applicable conditions that should carry over to the new GUP, and new conditions to ensure that other issues are addressed. Below are some topics staff will be included in the letter to the Supervisors for their consideration (full text will be drafted following the Council meeting):

1. Zoning and Noise. Apply the City of Palo Alto development standards and noise limits to property and uses in the academic growth boundary within 150 feet of City limits (DEIR mitigation)
2. Construction Parking. Require the University to submit an on-campus staging and parking plan that addresses parking for all construction equipment and construction workers with each project proposed. The University shall be responsible for enforcing the contractor's compliance. Such plans shall ensure that at there is at no time any obstruction to emergency vehicle access to and through the construction area.
3. No Net New Commute Modification. To better address the impact of reverse peak hour trips and the need to include them in the NNNCT computation, University generated peak hour trips entering and exiting through the same or adjacent gateways should be included as peak hour trips.
4. I-280/Page Mill Road. The FEIR bases the fair share payment for mitigation of impacts to this intersection on a traffic signal. City staff supports the installation of a round-about at this intersection as included in the County's Page Mill Expressway Study. This study was not addressed in the DEIR. The University should provide its fair share of the cost of the round-about.
5. Improvements to Bowdoin/Stanford Avenue Intersection. Pedestrians and bicyclists crossings at this gateway intersection between the University and Palo Alto is challenging. The University shall participate with the City to construct a round-about at the Bowdoin/Stanford Avenue intersection. This improvement is currently in the planning stage at the City, pending the University's participation. Upon the City's completion of the design, the University should contribute its fair share, about one-half the cost of construction.

6. Special Events. To address parking and traffic impacts generated by special events held on the campus, require the University to prepare a Special Events Traffic Management Plan for submittal to the County and City for approval. Public notice requirements for each event for residents of Palo Alto and Menlo Park and adjacent neighborhoods in both jurisdictions shall be included in the plan. (2000 GUP condition)
7. Event Facilities. All University projects that include serving large group events such as stadiums, performance venues, etc. included in the 2018 GUP as academic support space shall be subject to additional environmental evaluation and traffic and parking impact studies. (2000 GUP condition)
8. Environmental Review. Establish a limit of 20% on the amount of academic floor area or housing units that can be redistributed within the AGB between development districts before additional environmental review is required. (2000 GUP condition, modified)
9. Fireworks. Limit firework displays to two per year, unless otherwise permitted through a County approved Special Events permit that includes public notice in Palo Alto (2000 GUP condition)
10. Housing Production. Establish a housing linkage ratio that establishes a link between housing units/beds to be constructed in advance of any expansion of academic and support floor area. The University should demonstrate to the County that the housing need generated by the academic space is available and provided before construction begins. (2000 GUP condition)
11. Parking Reserve. To support Traffic Management Demand (TDM) incentives, limit on campus parking for academic/academic support space to the maximum allowed in the 2000 GUP, except as necessary for new residential uses in the AGB. (Modification of Project request for a 2,000 parking space reserve over the total parking allowed in the 2000 GUP, 19,000 spaces.)
12. Mitigation Measures and Development Agreement. The City of Palo Alto should be informed of any changes approved by the County to the Mitigation Monitoring and Reporting Program, the Development Agreement, or any permit conditions after project approval.
13. Update Protocol. The University, County and City currently have a three party agreement that outlines all adopted land use designations, regulations, restrictions, and review and referral procedures governing. The Protocol should be updated within six months following adoption of the GUP application.

Staff will continue to review the prior GUP and consider other conditions that may not be

reflected above.

POLICY IMPLICATIONS

The University's proposed expansion has the potential to impact the City of Palo Alto, PAUSD and other jurisdictions even with mitigation measures and conditions of approval. Increased academic floor area will result in more jobs, increased student enrollment and need for more housing. Additional traffic congestion and University-related intrusions into established residential neighborhoods is likely and demand for public services are anticipated. From an environmental perspective, City staff remains concerned that the County prepared documents have not fully anticipated the increased demand on public infrastructure, traffic and other factors. Many of these issues could be addressed through the DA, but the City has no direct role in those negotiations.

The City's Comprehensive Plan includes policies that support the recommendations in this report. Specifically, Policy L-4.8 and Programs L4.8.1 and L4.8.2 seek enhance the Downtown area as a major commercial center that is pedestrian-friendly and inviting to pedestrians and bicyclists. The two Programs require the preparation of a Downtown area plan and feasibility studies exploring the conversion of University Avenue to a pedestrian zone. Policy T-3.15 declares as a City priority grade separation along the rail corridor and is supported by Program T3.15.2, which seeks a study to evaluate the implications of grade separation on bicycle and pedestrian circulation. Program T1.26.1 encourages collaboration with regional agencies and neighboring jurisdictions to identify and pursue funding for rail corridor improvements and grade separation. The City's Housing Element is replete with policies to promote affordable housing and the Comprehensive Plan includes programs (N1.1.1 and N4.13.3) seeking to protect the hillside from development and reducing the risk of flooding for Palo Alto properties through storm water capture and storage.

This report and recommendations are intended to focus on the key issues that may have the greatest benefit to the City and University, without seeking funding or mitigation for every possible impact. The recommendation recognizes the City of Palo Alto as one jurisdiction among many facing similar issues and attempts to balance the local and regional benefits of the University to everyday impacts that can be anticipated from the proposed expansion.

RESOURCE IMPACT

The recommendation in this report does not have a specific economic or fiscal impact. This report includes a recommendation that the County Board of Supervisor's include through a DA, or impose as conditions of approval, sources of funding to the City to help off-set anticipated impacts from the proposed University's expansion.

TIMELINE

Following Council deliberation, staff will work with the Mayor or the Vice Mayor to draft a letter to be sent to the Santa Clara Board of Supervisors Ad Hoc Committee working on the 2018 GUP Development Agreement, Members of the Board of Supervisors, the County Planning Director, and appropriate agencies. The Ad Hoc Committee is currently meeting with Stanford University on the DA.

ENVIRONMENTAL REVIEW

The recommendation in this report does not constitute a project in accordance with the California Environmental Quality Act and is therefore not subject to environmental review.

Attachments:

- A. Letter from City of Palo Alto re Stanford GUP and PAUSD (PDF)**
- B. SFCJPA GUP Letter (PDF)**

City of Palo Alto
Office of the Mayor and City Council

January 16, 2019

Supervisor Joe Simitian, President
Santa Clara County Board of Supervisors
County Government Center
70 W. Hedding Street
San Jose, CA 95110

Re: Stanford University General Use Plan and Palo Alto Unified School District

Dear Mr. Joe Simitian and County Board of Supervisors,

In the coming months, the County Board of Supervisors will hold hearings on Stanford University's General Use Permit and development agreement applications. The City appreciates the County's approach of forming a subcommittee to receive input from impacted jurisdictions as a means to solicit feedback on public benefits that may be incorporated into the agreement. While the City of Palo Alto is refining its key areas of interest, this letter is submitted in support of the Palo Alto Unified School District.

The City shares PAUSD's position that Stanford University mitigate any impacts that may occur as a result of an increase in student population, affect desired student/teacher ratios or otherwise diminish the quality of education provided to its students. The University and school district share a commitment to high quality education and both institutions benefit from mutual success.

The City of Palo Alto continues to support the school district and reasonable solutions that address the impacts of adding two million square feet of academic space on the University's campus. The potential impact to the district is real and requires thoughtful mitigation.

Sincerely,



Eric Filseth
Mayor

cc: Palo Alto City Council
Ed Shikada, City Manager
Jonathan Lait, Interim Planning Director
David Rader, Senior Planner at Santa Clara County
Catherine Palter, Associate Vice President at Stanford

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SAN FRANCISQUITO CREEK
JOINT POWERS AUTHORITY

SFCJPA.ORG

Via e-mail only

October 12, 2018

Santa Clara County Board of Supervisors
County Government Center
70 West Hedding Street
San Jose, CA 95110

Re: Stanford University 2018 General Use Permit Negotiated Development Agreement

The Board of Supervisors is currently considering the process and topics of a potential Negotiated Development Agreement related to Stanford's application for a new General Use Permit (GUP). The San Francisquito Creek Joint Powers Authority (SFCJPA), a regional government agency that plans and implements projects that advance flood protection, ecosystems, and recreational opportunities across jurisdictional boundaries on the San Francisco Peninsula, encourages you to include in any Development Agreement a topic of keen and long-standing interest to the communities adjacent to Stanford: flood protection.

Like other areas of Santa Clara County, the communities downstream of Stanford University have endured repeated flood events, including a flood in 1998 that damaged 1,700 properties. In January of this year, I and my colleague on the SFCJPA Board, San Mateo County Board of Supervisors President Dave Pine, sent a letter to Santa Clara County commenting on the need for the GUP's Draft EIR to demonstrate its assertion that stormwater infrastructure, including detention basins already constructed on the main campus under the 2000 GUP, would accommodate increased runoff from development proposed in the 2018 GUP.

The SFCJPA is working closely with Stanford to understand the relationship between, and benefits of, our respective potential projects on the Creek. The SFCJPA and its partners are now completing construction of the larger of two major capital projects between San Francisco Bay and the Pope-Chaucer Bridge, which in total cost over \$100 million and provide substantial Creek flow and sea level rise protection to thousands of properties. Upstream of our work, analysis by Stanford indicates that its preferred project at Searsville Dam and Reservoir adds substantial protection; perhaps enough to remove all properties from the FEMA floodplain.

We applaud Stanford's willingness to work collaboratively with us, and to study its options for a project at Searsville. The SFCJPA intends for our projects downstream of the campus to be completed in four years, by which time Stanford can complete the design and environmental documentation of a complementary project at Searsville. Our request of Santa Clara County is that Stanford's implementation of a project that detains floodwaters at Searsville or elsewhere, which is related to runoff associated with the GUP and is of great interest to the campus' neighbors, be included in your public process to craft a Development Agreement.

Sincerely,

Gary Kremen
Chair, SFCJPA Board of Directors and
Director, Santa Clara Valley Water District

cc: SFCJPA Board of Directors
Stanford officials: Catherine Palter, Jean McCown, Tom Zigterman