TO: PARKS AND RECREATION COMMISSION

FROM: DAREN ANDERSON

**DEPARTMENT: COMMUNITY SERVICES DEPARTMENT** 

**DATE: OCTOBER 24, 2023** 

SUBJECT: PARK DEDICATION OF THE TOWER WELL SITE AT 201 ALMA

**STREET** 

#### RECOMMENDATION

Staff recommends that the Parks and Recreation Commission (PRC) review and discuss whether to recommend that the City Council adopt a Park Dedication Ordinance for the Tower Well site, .19 acres of land (8,437 square feet) at 201 Alma Street.

#### **BACKGROUND**

The PRC 2023-2024 Work Plan includes a goal of conducting a broad review and assessment of potential sites within our community to recommend dedicating as parkland.

A Park Dedication Ordinance reserves the land for park, recreation, or conservation purposes. Article VIII of the City Charter states: "All lands owned or controlled by the city which are or will be used for park, playground, recreation or conservation purposes shall be dedicated for such purposes by ordinance." Additionally, the Charter states that all dedicated parklands shall be listed, with their legal description and map, in Section 22 of the Municipal Code.

#### **DISCUSSION**

The PRC Park Dedication Ad Hoc Committee (Ad Hoc) has met with staff multiple times to discuss potential sites for park dedication. While the Ad Hoc and staff continue to investigate several potential sites, the Tower Well site, an 8,437 square foot property located 201 Alma Street at the corner of Alma Street and Hawthorne Avenue, has been identified as a location that should be dedicated now.

Located on the property is the 79-foot-high Tower Well, an adjoining 210 square foot building, a decomposed granite trail, native plants, two park benches, an antique water pump display, and four interpretive signs. There are on-site electric and fiber utility infrastructure that will have to remain and could require maintenance or replacement in the future. Some of the infrastructure is above-ground equipment that is serving the area and adjacent areas.

The Tower Well was built in 1910 to store Palo Alto's water supply. In 1988, the City Council approved a staff recommendation to abandon the Tower Well. On March 9, 1992, the City Council approved a Request for Conceptual Proposals (RFCP) for reuse and disposition of the Tower site and directed staff to solicit conceptual proposals. On December 15, 1992, three proposals were received.

On August 18, 1993, the Historic Resources Board (HRB) passed a motion requesting that the City Council designate the Tower Well site as a Category II building on the City's Historic Structure Inventory because of its historical significance. On February 28, 1993, the City Council determined not to designate the Tower Well site as a Category II building on the Palo Alto Historic Building Inventory and rejected the conceptual proposals. Instead, the City Council directed that the property be "land banked" and a beneficial use considered in the future, and that if there were a good idea in the community for use of the property, the City should let it emerge.

On February 5, 1996, the City Council reviewed three unsolicited proposals for use of the Tower Well site and directed staff to prepare an RFP for an option to purchase the site. On June 10, 1996, the City Council approved an RFP for an option to purchase the site for use and development, including the following criteria: 1) require the preservation of the tower; 2) recognize that public benefit may be provided through direct use of the site and/or through dedication of the proceeds from the sale of the site to an identified public need; and 3) recognize single-family use as an appropriate use of the site. In February 1997, the City Council decided not to sell the property (Attachment A).

In 2000, a decomposed granite pathway, park benches, and interpretive signs were added to the property.

#### **TIMELINE**

- November/December 2023-- PRC Recommendation of a Park Dedication Ordinance
- January/February 2023 Park Dedication Ordinance to City Council

#### **ATTACHMENTS**

• Attachment A: February 3, 1997 City Council staff report: Subject: Recommendation to Accept Proposal for an Option to Purchase the Tower Well Site, 201 Alma Street



# City of Palo Alto City Manager's Summary Report

TO:

HONORABLE CITY COUNCIL

FROM:

**CITY MANAGER** 

**DEPARTMENT: ADMINISTRATIVE** 

**SERVICES** 

AGENDA DATE: FEBRUARY 3, 1997

CMR:108:97

SUBJECT:

RECOMMENDATION TO ACCEPT PROPOSAL FROM THOMAS AND KATHLEEN TAYLOR FOR AN OPTION TO

PURCHASE THE TOWER WELL SITE, 201 ALMA STREET

#### **REOUEST:**

This report: 1) transmits the proposals submitted in response to the Request for Proposals (RFP) for an option to purchase the Tower Well site, located at the corner of Alma Street and Hawthorne Avenue in Palo Alto; and 2) transmits the recommendation of the Tower Well Site Proposal Evaluation Committee (Committee) that the Council approve the proposal submitted by Thomas and Kathleen Taylor for a single live/work space and public plaza on the site.

Due to their length, copies of the proposals and letters are provided only for Council and Library packets. A summary of the proposals is provided in all packets (Attachment B). Complete copies of the proposals are available for review in the Real Property office on the fourth floor of City Hall, as well as at all libraries except the Children's Library.

#### **RECOMMENDATIONS:**

Staff recommends that Council approve the proposal submitted by Thomas and Kathleen Taylor for a live/work space and public plaza on the site and direct staff to negotiate an option to purchase with the Taylors, prepare an Environmental Impact Assessment (EIA) for the Taylor proposal and return to Council for approval of the EIA and option to purchase.

#### **POLICY IMPLICATIONS:**

The recommendation does not represent any changes to existing City policy and is consistent with past Council action. All the proposals, including the recommended

proposal, are consistent with the current Comprehensive Plan. Comprehensive Plan policies relating to the site and the proposals are as follows:

#### Housing:

Policy 3: Protect and enhance those qualities which make Palo Alto's neighborhoods especially desirable.

Policy 6: Increase the overall supply of rental housing.

Policy 7: Encourage and foster the development of new and existing housing units affordable to low, moderate and middle income households.

Policy 16: Study surplus school and institutional sites to determine possibility of more affordable housing.

Program 17: Evaluate commercial and industrial properties with intention of rezoning to housing where appropriate.

### **Employment:**

Policy 2: Encourage the construction of more housing primarily on or near industrial and commercial sites.

# Urban Design:

Policy 2: Encourage private preservation of buildings which have historic or architectural merit or both.

Program 16: Seek innovative ways to apply the spirit of current codes and ordinance to older buildings.

#### Schools and Parks:

Policy 3 & 4: Provide parks sites and facilities of different sizes and types within walking distance for residents within the urban portion of Palo Alto.

All the proposals provide housing units in varying numbers in accordance with the Comprehensive Plan Housing and Employment elements, and all the proposals preserve the tower in accordance with the Urban Design policies. All proposals, except for the Phillips proposal, provide park sites in accordance with the Schools and Parks policy.

#### **EXECUTIVE SUMMARY:**

In response to Council direction given on June 10, 1996, staff advertised an RFP for an option to purchase the Tower Well site for use and development. In response to the RFP, four proposals to purchase the site were received, along with one proposal to develop and manage the site and two letters suggesting alternatives to the RFP. These proposals and letters are summarized in Attachment B to the staff report. A committee consisting of City staff (Real Property Manager, Senior Financial Analyst, Building Inspection Supervisor, Assistant Planning Official, and Senior Engineer) and a member of the Historic Resources Board (HRB) evaluated the proposals and interviewed the proposers, evaluating responses based on the criteria included in the RFP. Based on this evaluation, the Committee recommends that Council approve the proposal submitted by Thomas and Kathleen Taylor to purchase the Tower Well site for use and development as a single live/work space and public plaza. If the proposal is approved, staff will return to Council for approval of the option to purchase the site following preparation of an EIA and completion of a structural investigation of the tower.

#### **FISCAL IMPACT:**

No impact at this time. Once the option is awarded, the City will receive \$5,000 as a purchase price of the option. If the option is granted to and exercised by the recommended proposer, Thomas and Kathleen Taylor, the City will receive a purchase price of a minimum of \$1,000 to a maximum of \$100,000, depending upon the cost of structural engineering and rehabilitation.

#### **ENVIRONMENTAL IMPACT ASSESSMENT:**

An environmental assessment required by the California Environmental Quality Act (CEQA) will be performed in conjunction with Council's approval of an option to purchase the site. Staff anticipates that the issues most likely to come from the environmental assessment of the recommended proposal concern visual and aesthetic impacts.

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#### **ATTACHMENTS/EXHIBITS:**

Attachment A - Summary of the RFP for Sale of the Tower Well Site

Attachment B - Summary of Proposals in Response to RFP

Attachment C - Proposal Evaluation Criteria

Attachment D - Proposal Summary Chart

Proposals - (Council and Library packets only)

PREPARED BY:

Janet Freeland, Senior Financial Analyst, Administrative Services

Department

**DEPARTMENT HEAD APPROVAL:** 

mily Harrison

Deputy City Manager,

Administrative Services

CITY MANAGER APPROVAL:

une Fleming

City Manager

CC: Tower Well Site Subcommittee Mailing List

**Proposers** 

Historic Resources Board

Related CMR's: CMR:324:93, CMR:167:92, CMR:290:91, CMR:289:91, CMR:545:0, CMR:374:0, CMR:351:0, CMR:497:9, CMR:267:8, CMR:162:94, CMR:133:96; CMR:276:96.



# City of Palo Alto City Manager's Report

RECOMMENDATION TO ACCEPT PROPOSAL FROM THOMAS AND KATHLEEN TAYLOR FOR AN OPTION TO PURCHASE THE TOWER WELL SITE, 201 ALMA STREET

#### **RECOMMENDATIONS:**

Staff recommends that Council approve the proposal submitted by Thomas and Kathleen Taylor for a live/work space and public plaza on the site and direct staff negotiate an option to purchase with the Taylors, prepare an EIA for the Taylor proposal and return to Council for approval of the EIA and option to purchase.

#### **BACKGROUND:**

In 1988, Council approved a staff recommendation to abandon and dispose of four of the City's ten wells, including the Tower Well, an 8,437 square foot site located at the corner of Alma Street and Hawthorne Avenue. On March 9, 1992, the City Council approved a Request for Conceptual Proposals (RFCP) for reuse and disposition of the Tower Well site and directed staff to solicit conceptual proposals over a nine-month period. On December 15, 1992, three proposals were received. On August 18, 1993, the Historic Resources Board (HRB) passed a motion requesting that the City Council designate the Tower Well site as a Category II building on the City's Historic Structure Inventory because of its historical significance. On February 28, 1993, the Council determined not to designate the Tower Well site as a Category 2 building on the Palo Alto Historic Building Inventory and rejected the conceptual proposals. Instead, Council directed that the property be "land banked" and a beneficial use considered in the future, and that if there were a good idea in the community for use of the property, the City should let it emerge. On February 5, 1996, Council reviewed three unsolicited proposals for use of the Tower Well site which staff felt should be brought before the Council for consideration, and directed staff to prepare an RFP for an option to purchase the site. On June 10, 1996, Council approved an RFP for an option to purchase the site for use and development, including the following criteria: 1) require the preservation of the tower: 2) recognize that public benefit may be provided through direct use of the site and/or through dedication of the proceeds from the sale of the site to an identified public need; and 3) recognize single-family use as an appropriate use of the site.

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#### **POLICY IMPLICATIONS:**

The recommendation does not represent any changes to existing City policy and is consistent with past Council action. All the proposals, including the recommended proposal, are consistent with the current Comprehensive Plan. Comprehensive Plan policies relating to the site and the proposals are as follows:

#### Housing:

Policy 3: Protect and enhance those qualities which make Palo Alto's neighborhoods especially desirable.

Policy 6: Increase the overall supply of rental housing.

Policy 7: Encourage and foster the development of new and existing housing units affordable to low, moderate and middle income households.

Policy 16: Study surplus school and institutional sites to determine possibility of more affordable housing.

Program 17: Evaluate commercial and industrial properties with intention of rezoning to housing where appropriate.

# Employment:

Policy 2: Encourage the construction of more housing primarily on or near industrial and commercial sites.

# Urban Design:

Policy 2: Encourage private preservation of buildings which have historic or architectural merit or both.

Program 16: Seek innovative ways to apply the spirit of current codes and ordinance to older buildings.

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#### Schools and Parks:

Policy 3 & 4: Provide parks sites and facilities of different sizes and types within walking distance for residents within the urban portion of Palo Alto.

All the proposals provide housing units in varying numbers in accordance with the Comprehensive Plan Housing and Employment elements, and all the proposals preserve the tower in accordance with the Urban Design policies. All proposals, except for the Phillips proposal, provide park sites in accordance with the Schools and Parks policy.

#### **DISCUSSION:**

#### **Solicitation Process**

In June 1996, RFP information flyers were sent to interested persons and organizations, and the RFP was advertised in the <u>Palo Alto Weekly</u>. A summary of the RFP is attached (Attachment A). In response to this advertising, approximately 30 proposal packages were mailed or given to interested parties. Proposals were due September 10, 1996, and on that date, the following proposals for the option to purchase were received:

- 1. Bernard F. Carter and Jonathan T. Carter propose to convert the tower to a single family owner-occupied home with a public plaza along Alma Street. The proposed purchase price is \$45,000.
- 2. Susan and Tim Gray propose one of the following three options:
  - Option 1: Add two stories to the tower well to make eight. Grounds to be a sculpture garden and landscaped park. The first floor of the tower would be for art and function as a public space. Floors 2 through 6 contain ten one-bedroom hotel suites, and floor 6 to 8 would be a 2-story residential unit. Proposed purchase price is \$500,000.
  - Option 2: No two story addition, but includes all eight stories of Option 1 by shortening the ceilings. Same use as Option 1. Proposed purchase price is \$450,000.
  - Option 3: Duplicates the configuration of Option 2, but converts the hotel rooms to ten 350 square foot studio apartments. Includes moving a small historic home, scheduled to be demolished, onto the site. Proposed purchase price is \$450,000.

- 3. Donald A. Phillips proposes to convert the tower into a 6-story archive for the purpose of archiving/storing/exhibiting historical materials and to construct (along the Alma/Hawthorne corner of site) a 2 and 3-story residential structure with six apartment units and a ground floor autocourt for parking. Proposed purchase price is \$100,000.
- 4. Thomas and Kathleen Taylor propose one of the following two options:

Option 1: Convert the tower into live/work space with a small apartment above a place of business and a public plaza along Alma Street. Proposed purchase price is \$1,000 to \$100,000 depending upon costs for a structural engineer and rehabilitation.

Option 2: Convert the tower into a single family residence and construct a garage with a small apartment above and a public plaza along Alma Street. The proposed purchase price is \$50,000 to \$200,000 depending upon costs of a structural engineer and rehabilitation.

In addition to the above proposals to purchase the site, two letters and a proposal to develop and manage the site were submitted. Those submissions are discussed below in the "ALTERNATIVES" section of this report.

Due to their length, copies of the proposals and letters are provided only for Council and Library packets. A summary of the proposals is provided in all packets (Attachment B). Complete copies of the proposals are available for review in the Real Property office on the fourth floor of City Hall, as well as at all libraries except the Children's Library.

#### **Evaluation of Proposals**

The six member Committee formed to evaluate the proposals and make a recommendation to the Council was composed of staff from the Administrative Services Department (Real Estate Division); Department of Planning and Community Environment (Planning and Building Inspection Divisions); Public Works Department (Engineering Division), and member of the Historic Resources Board. The Committee's evaluation of the proposals included a review of the written proposals and interviews with each of the proposers.

The proposals were evaluated based upon the criteria include in the RFP and listed in Attachment C. It should be noted that all the proposers provided financial information verifying that each could pay the amount bid for the purchase price of the option. Information concerning the backgrounds of the proposers and their development teams is included in the proposals and the proposal summaries (Attachment B). A discussion of the Committee's evaluation of the proposals in terms of the RFP criteria follows:

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#### Bernard F. Carter and Jonathan T. Carter:

Satisfies Public Need/Provides Public Benefit:

The Carter proposal provides the public benefit of one unit of single family housing and a public area designated to be used by the Arts Commission for the display of art compatible with the tower. In addition, the proposer will place deed restrictions on the property which guarantee that 25 percent of the net profit from any future sales of the property be contributed to the arts or Palo Alto Historic Association. The Committee considered the concept of the City receiving a percentage of the net profit from future sales of the property to be a unique and positive public benefit.

#### Preservation of the Tower:

The tower will be preserved as a single family, owner-occupied home. Although the proposal includes a site plan only, the proposers state that the tower will be preserved physically with little change to the exterior other than necessary windows.

# Consistency with City Goals and Objectives:

The proposal is consistent with existing City goals and objectives as set forth in the Comprehensive Plan and the Zoning Ordinance, provided the property is rezoned to Planned Community Zone District (PC). As shown on the proposed site plan, the garage probably encroaches into the Hawthorne Street setback and may require a variance. In terms of building code compliance, although no plans were submitted for this proposal, it sounds similar to the Taylor Option 2 proposal, and the same code issues may apply (see below).

# Impact on the Neighborhood, Community and the Environment:

The impact on the neighborhood, community and environment from the proposed single family use in the existing tower and a small public art plaza is minimal. The garage will be located back on the site with access from Hawthorne and will be compatible in material and design with the Tower structure. Along with the Taylor proposals (discussed below), this proposal is among those requiring the least change to the site, the least parking and generating the least traffic. The proposed use is compatible with the neighborhood, which includes single and multi-family residential and neighborhood commercial uses. In terms of design, the Committee preferred the location of the Carter's garage (close to Hawthorne) to the Taylor Option 2 location (next to the North Face building).

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History and Assessment of the Proposer's Ability to Carry Out Project:

This proposal includes significantly less detail than the other proposals concerning both the proposed improvements and the proposer's background and ability to carry out the project. The proposers have completed several rehabilitation projects (storage house to commercial office space and rehabilitation of a warehouse) and have recently constructed their own home. Bernard F. Carter is retired from the commercial real estate business. Jonathan Carter is a medical student at Stanford and would live in the tower.

Monetary Consideration to City:

Proposed purchase price is \$45,000.

### Susan and Tim Gray:

Satisfies Public Need/Provides Public Benefit:

Each of the Gray proposal options would provide the public benefit of a park with gardens and art and public space on the ground floor of the tower. Options 1 and 2 would each provide a 2- story single family residence and ten hotel units. Option 3 would provide the 2- story single family residence and ten apartment units and a possible additional residential unit in a relocated historic house. The Committee noted that the provision of housing satisfies an identified public need and rated the multiple residential proposal highly in this respect. The Committee also considered the public access to the tower to be a significant public benefit. However, the Gray's hotel use options were not rated highly for public benefit because, although Palo Alto has a high demand for hotel space, the Committee did not consider this a public need appropriate for this site.

#### Preservation of the Tower:

In all three Gray options, the tower would be modified by the addition of an elevator, two enclosed staircases and many window openings. The elevator and staircases would be at the rear of the tower so as not to impede the view of the tower. In Option 1, two stories would be added to the top of the tower. In Option 3, a small historic house would be moved to the site adjacent to the North Face building. The Committee felt the Gray proposal options afforded the least preservation of the tower due to the number of windows, stairs and possibly floors to be added and because of the questions concerning the structural feasibility of the proposed uses (see below).

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# Consistency with City Goals and Objectives:

The proposed use is consistent with existing City goals and objectives as set forth in the Comprehensive Plan and the Zoning Ordinance, provided the property is rezoned to Planned Community Zone District (PC). The Option 3 proposal for multi-family residential would be subject to the requirement that 10 percent of the units be below-market-rate. For all options, a height variance would be required for the top residence, stairs and elevator and possibly a setback variance for parking which may be in the required Hawthorne Street setback. For options 1 and 2, sixteen parking spaces would be required, and nine are shown on the plans. For option 3, nineteen spaces would be required, and nine are shown. Locating the cottage on the site would raise additional zoning issues and requires added parking. In addition, the proposal options (1st floor gallery/reception, hotel guest rooms floors 2-6 or studio apartments; residence on added floor 7 and 8) raise several design issues related to the building code. All occupants in all guest rooms need to be able to access two separate exits, which are not included in the current design. The addition of the 7th and 8th floors raises structural concerns, and the 8th floor's only exit is a spiral stair which is not allowed in this situation.

Although all the proposals have some non complying zoning issues, most are solvable through redesign or variance. Most of the proposals' building code issues, assuming structural investigation of the tower results are adequate, are also solvable. The Gray proposals have the most issues and problems related to zoning and building codes, which altogether could require so much redesign, construction cost or a combination of both that the project would likely be infeasible.

# Impact on the Neighborhood, Community and Environment:

This proposal, along with the Phillips proposal (see below), would have more impact on the neighborhood in terms of traffic, parking and use/design compatibility than the single family proposals. Traffic generation and parking demand for this proposal will benefit from the proximity of the site to downtown and the bus and train station; however, no detailed traffic analysis of the proposals has been done, and this proposal requires more parking than is shown on the proposed plans. Concerning compatibility of the use with the neighborhood, the Committee concluded that the multi-family residential option (Option #3) is more compatible than the hotel uses (Options 1 and 2). Concerning design, the Committee felt that the Option 1 (two added stories to the tower) and Option 3 (addition of historic house saved from demolition) were too much for the site in terms of aesthetics, zoning and building codes.

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History and Assessment of Proposer's Ability to Carry Out Project:

Through their work with non-profit corporations and their present jobs at Lucile Salter Packard Children's Hospital, Tim and Susan Gray have experience in operations planning, financial and staff management, accounting, community consensus building, negotiations and historical preservation. Their experience also includes establishing a community art studio (Harmony Studio) on El Camino Real in the former Casa Real Mexican restaurant. Although the Grays have a demonstrated commitment to the Palo Alto community and the arts as evidenced though their work with non-profits and the establishment of the community art studio, the Committee was concerned about their lack of development experience combined with the ambitiousness of the proposed development in terms of both complexity and expense.

Monetary Consideration to City:

Proposed purchase price for

Option 1:

\$500,000

Option 2 and 3: \$450,000 for each.

The highest monetary consideration offered by any of the proposers for the purchase of the site is the Grays' bid of \$500,000 for Option 1. The second highest bid is the Gray's bid of \$450,000 for Options 2 and 3.

# **Donald A. Phillips:**

Satisfies Public Need/Provides Public Benefit:

The Phillips proposal offers the public benefit of the archive facility and services, and it provides six additional housing units. The Committee found the archive use to be an intriguing and particularly appropriate use of the tower, and the provision of housing satisfies an identified public need. For these reasons, the proposal was rated highly in this criterion.

#### Preservation of the Tower:

Modifications to the tower include a tile roof, an elevator, some exterior openings and an open framework staircase. A six-unit residential structure would be situated at the corner of Alma Street and Hawthorne. The proposed archive use has the advantage of requiring relatively few exterior openings cut into the tower, and although the proposal includes the addition of another significant building on the site, the development is well designed in the way that it links the tower to the residential and does not overwhelm but rather enhances the tower. The Committee felt the improvements complement the tower architecturally.

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# Consistency with City Goals and Objectives:

The proposal is consistent with existing City goals and objectives as set forth in the Comprehensive Plan and Zoning Ordinance providing the property is rezoned to PC. The multi-family use would be subject to the requirement that 10 percent of the units be below-market-rate. The proposed design would require a height variance for the tower roof, stairs, elevator and portions of the residential structure, and a variance for the setback along Hawthorne. Eighteen parking spaces are required, and nine are provided. In terms of the building code compliance of this proposal (new multi-residential building with tower well uses as archive), the archive would be a storage occupancy and could extend to the 5th and 6th floors only if the tower well and improvements are determined to be an adequate type of construction. Also, the 5th and 6th floors are each required to be provided with two exits, and only one stair is currently indicated. Disabled access standards would apply to the archive use.

# Impact on the Neighborhood, Community and Environment:

Along with the Gray proposal options, this proposal would have more impact on the neighborhood in terms of traffic, parking and use/design compatibility than the single family residential proposals. Traffic generation and parking demand for the proposal will benefit from the proximity of the site to downtown and the bus and train station; however no detailed traffic analysis of the proposals has been done, and this proposal requires more parking than shown on the proposed plans. Concerning compatibility of the use and design with the neighborhood, the proposed use is compatible with the existing mixed use neighborhood which includes both multi-family residential and neighborhood commercial uses. Concerning design compatibility, the Committee was impressed with this proposed design. Although it includes the addition of a new multi-residential structure on the site, the design avoids much of the appearance of mass by stepping the building from two to three stories, and including window bays and varying roof elements, and it successfully deals with parking by creating an interior auto court. In spite of the successful design, however, the Committee was still concerned about the possible impacts of this relatively large development on the site.

# History and Assessment of Proposer's Ability to Carry Out Project:

Donald A. Phillips, a developer since 1970, is a very strong proposer in terms of history and assessment of proposer's ability to carry out the project. Mr. Phillips has developed many projects involving both renovation and new construction and has put together an experienced development team for this project which is well-versed in the constraints and opportunities of adaptive reuse and historic preservation. His proposal reflects a high degree of

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preparation, professionalism and commitment, and he provided the Evaluation Committee with detailed qualifications for himself and his architect and engineer.

Monetary Consideration to the City:

Proposed purchase price:

\$100,000.

#### **Thomas and Kathleen Taylor:**

Satisfies Public Need/Provides Public Benefit:

Both Taylor proposal options provide the public benefit of a public plaza and at least one unit of housing (Option 2 provides for two units). The Taylor's proposal is more detailed than the Carter's concerning plaza size, elements and improvements. Like the Carter's, the Taylor's plaza would include public art; however, the Taylor plaza is larger and would also include interpretive elements emphasizing water and relating to the history of Palo Alto and its utilities. The Committee considered the access to the tower provided by the Taylor Option 1 proposal to be a significant public benefit.

#### Preservation of the Tower:

The Taylor Option 1 proposal involves few changes to the grounds with no out buildings to impede the tower visually. Modifications to the tower impact less than one percent of the exterior and consist of enlarging one window, and adding four doors and a set of exterior stairs to the second floor. The most visible upper half of the tower will remain almost unchanged with only the addition of a cornice on the upper rim. The Taylor Option 2 proposal includes the addition to the site of a garage with an apartment above. Option 2 modifications to the tower would impact less than two percent of the exterior and consist of adding windows to the walls of the lower portion of tower, a set of exterior stairs and the cornice to the upper rim. In both options, placement of stairs and windows will be made to minimize visual impact. Along with the Carter proposal, the Taylor proposals involve the least change to the tower and site.

# Consistency with City Goals and Objectives:

The proposal is consistent with City goals and objectives as set forth in the Comprehensive Plan and the Zoning Ordinance, provided the property is rezoned to PC. The Taylor Option 1 proposal requires nine parking spaces where six are shown on the plans, and one space must be covered. In the Taylor Option 2, the added dome and possibly the staircase require a variance, and three parking spaces are required where two are shown. In terms of building code compliance, for the Taylor Option 1 proposal (art studio with dwelling on 2nd and 3rd

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floor), the commercial studio would need to comply with accessibility standards. The 3rd floor dwelling unit exceeds 500 square feet, and thus requires two exit stairs. For the Taylor Option 2 (3-story single family dwelling with 4th floor storage area), the storage level would probably be considered a 4th floor, and exit stairs would have to be provided from this floor.

Impact on Neighborhood, Community and Environment:

The Taylor proposal options for a single live work space and two family residence with small public plazas would have little impact on the neighborhood, community and environment. Similar to the Carter proposal, the Taylor options would require the least change to the site, the least parking and generate the least traffic. The proposed uses and design are compatible with the neighborhood, which includes single and multiple family residential and neighborhood commercial uses.

History and Assessment of the Proposer's Ability to Carry Out Project:

The Taylors have a strong background and development team. They have developed two Palo Alto underutilized commercial and industrial properties into residential uses. Mr. Taylor is a Project/Program Manager for Hewlett Packard and has worked in the construction trades. The architect for the project is a Palo Alto firm with experience in historic preservation and rehabilitation and reuse of older buildings. The artist for the project is familiar with the site and has experience creating public art installations.

Monetary Consideration to City:

Proposed purchase price: Option 1: \$1,000 to \$100,000\*

Option 2: \$50,000 to \$200,000 \*

\*depending upon costs for structural engineering and rehabilitation.

#### Committee's Conclusion and Recommendation

As may be evident from the evaluation discussion above, the Committee did not have an easy task in determining which of the proposals to recommend, and the Committee's rating of the proposals was very close. After much deliberation, the Committee determined to recommend the Taylor Option 1 proposal for a single live/work space with a public plaza. Although it is not the strongest proposal in all criteria nor was it rated highest by all members of the Committee, overall it was rated the highest, and the Committee's recommendation is unanimous. Its greatest strength is that it involves the least change to the tower and the site of any of the proposals and yet still maintains some public access to the tower itself. It is also strong in terms of having minimal impact on the neighborhood, and strong in the history

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and assessment of the ability of the proposer to carry out the project. The proposed use and improvements are consistent with the current Comprehensive Plan and have relatively few problems with zoning and building code compliance. It is potentially the weakest proposal in terms of monetary consideration to the City (the purchase price could be a minimum of \$1,000); however, the Committee felt its other strengths compensated for its weakness in this area. The relative ranking and strengths and weaknesses of the other proposals are discussed below:

Closely ranked to the recommended Taylor Option 1 were the Carter proposal and Taylor Option 2 proposals. The single family residential proposals have many similarities. The Committee favored the Carter's due to its unique benefit of committing 25 percent of the net profit from future sale of the property to the City, and it preferred the Carter site plan with the garage back on the site along Hawthorne. However, the Taylor proposals were rated more highly in terms of the history and assessment of the proposer's ability to carry out the project. The Taylors are familiar with the local community and have redeveloped two Palo Alto commercial properties for residential use. Their proposal is more informative and specific and reflects considerable research into the unique characteristics and history of the property.

Next in the close ranking, the Phillips proposal was the strongest in terms of the history and assessment of the proposer's ability to carry out the project. Mr. Phillips is a successful developer and has an experienced development team and an impressive proposal. Another of its strengths is the public benefit of its proposed use. The housing satisfies an identified public need, and the archive is an appropriate use for the tower in that it would require few openings cut into the tower, and the entire tower would be accessible to the public. Although the Committee was very intrigued by the Phillips proposed use and design, its weakness is that it is a large development for the site, and the Committee had concerns about its impact on the neighborhood.

The Gray proposal options offer the highest bids for the purchase price and therefore the highest monetary consideration to the City. However, the Committee did not consider the Gray proposal options for a hotel use a significant enough public benefit to justify the degree of alteration that would have to be done to the tower. The multi-family housing option meets an identified public need, but this advantage was outweighed by the Committee's concern about the feasibility of the proposal considering the number of significant problems with zoning and building code compliance and the Gray's relative lack of experience with construction and development.

As stated above, the Committee liked the concept of the City continuing to share in the value of the tower well site by receiving a percentage of the future profits from its sale. Although the Committee did not wish to make this a condition of its recommendation, staff

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suggests that, if the Council approves the recommended proposal, it require the Taylors to commit at least 10 percent of the profits from future sales of the property to the City for a specified public purpose.

#### Structural Investigation and Option to Purchase

The RFP anticipated that any necessary structural investigation of the tower would be performed by the optionee following Council award of the option. However, due to questions raised during the proposal process concerning the unknown structural conditions of the tower, staff believes that it would be to the advantage of both the proposer and the City if the proposer undertook the structural investigation prior to the award of the option to lease. This way, both the City and the proposer will know, prior to entering into the option to purchase, whether any structural conditions exist that might affect the design or feasibility of the proposed project. The investigation would be conducted by the proposer at his expense through an appropriate license agreement which would require the proposer to protect the City and provide necessary insurance. Results of the investigation will be reported to Council when staff returns with the EIA and option to purchase.

#### **ALTERNATIVES:**

This report evaluates the proposals for sale of the Tower Well site in accordance with the RFP approved by Council in June 1996. Alternatives to the RFP for sale have been presented in a proposal and two letters, as follows:

Tower Well Partners (TWP): TWP, a partnership between Roxy Rapp & Company and Carrasco & Associates, proposes that the City retain the property, preserve the tower and develop a 4-story mixed use facility (first floor office, remaining floors six units residential) which will generate income. The proposer's estimated construction cost is \$1,556,245, which the City would finance. TWP would provide property management services, and a development fee would be paid to TWP for a turnkey project. Proposers estimate annual net income for the first year to be \$80,000, which TWP points out would be more than triple the amount the City would gain in annual interest on the sale of the property at an assumed price of \$350,000. TWP proposes the additional gains be used to support the maintenance of the University Avenue Downtown Area and Downtown Park North Neighborhood. In the event project revenues are unacceptable, TWP guarantees to purchase the property from the City at market value, less the value of any encumbrances existing at the time of the sale.

Foundation for Global Community (Foundation): The Foundation, which owns the property on both sides of the tower, believes that it is in the interest of the City to maintain ownership of the site for long-term needs which may not be known. The

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Foundation proposes that the City develop the site in the short term as an interpretive park with the theme of water. Suggestions include developing the park in conjunction with the Historic Society or some other appropriate organization; that park features include a water sculpture; and that the interior of the tower be a historical interpretive facility.

James Walter, Architect, explains why he decided not to submit a proposal in response to the RFP and presents a design concept for the Tower Well site. The design concept includes eight floors of rental apartments in the refurbished tower, a Native American Arts Center and a relocated Palo Alto vintage cottage which would be used for offices and a visitor's center.

#### **FISCAL IMPACT:**

No impact at this time. Once the option is awarded, the City will receive \$5,000 as a purchase price of the option. If the option is granted to and exercised by the recommended proposer, Thomas and Kathleen Taylor, the City will receive a purchase price bid of a minimum of \$1,000 to a maximum of \$100,000, depending upon the cost of the structural engineer and rehabilitation.

#### **ENVIRONMENTAL ASSESSMENT:**

An environmental assessment required by the California Environmental Quality Act (CEQA) will be performed in conjunction with Council's approval of an option to purchase the site. Staff anticipates that the issues most likely to come from the environmental assessment of the recommended proposal concern visual and aesthetic impacts.

# **STEPS FOLLOWING APPROVAL:**

The selected proposer will conduct a structural investigation of the tower under license from the City, and staff will prepare an EIA. Staff will then return to Council for its approval of the EIA and award of the option to purchase to the selected proposer.

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#### ATTACHMENT A

#### SUMMARY - TOWER WELL SITE RFP

The Request for Proposals (RFP) consists of 1) the Information Flyer and II) the Proposal Package.

- I. The Information Flyer summarizes the offering and will be sent to interested persons or organizations. The Information Flyer includes the following information:
  - A. A general description of the property for sale, including a location and site map.
  - B. The place and date proposals are due (September 9, 1996).
  - C. Statement of intent of the RFP and guidelines and criteria for use.
  - D. Proposal requirements and evaluation criteria.
  - E. Summary of the terms of the option agreement.
  - F. Instructions for obtaining the proposal package.

#### II. Proposal Package

The Proposal Package summarizes the proposal requirements and procedures and lists the evaluation criteria. It includes the Proposal Forms, Proposal Questionnaire, the Option Agreement and the form of the Deed, including a facade easement.

- A. Option Agreement the term of the Option is 2 years, and it may not be exercised until the Optionee has fulfilled the following conditions:
  - 1. Paid the purchase price of the option (\$5,000.00).
  - 2. Submitted schematic plans of all proposed improvements within 2 months of the commencement of the option.
  - 3. Obtained approval of its development plans from the City's Historic Resources Board, Architectural Review Board, Planning Commission and City Council.
  - 4. Obtained approval from City for a change in land use zoning from PF (Public Facilities) to PC (Planned Community) and appropriate change in the Comprehensive Plan designation and any other land use permit required.

- 5. Obtained approvals of the City Engineer and the Chief Building Official of the construction drawings, including a construction schedule.
- 6. Obtained any necessary permits and environmental clearances for the proposed development.
- 7. Satisfied the Real Property Manager that sufficient funds are available to implement the plans approved by the City.
- 8. Obtained completion/performance bonds sufficient to ensure funds to complete the approved plans.

#### B. Deed and Reservation of Facade Easement

Once the optionee has satisfied all the option conditions referred to above, escrow will be opened, the purchase price paid and the title to the property transferred. The deed includes the reservation of a facade easement with the following restrictions and conditions:

#### Grantee (owner) shall

- 1. Make no changes materially affecting the exterior appearance of the structure (as depicted in the approved development plans) without prior written approval of the City.
- 2. Make no changes, pruning, etc. which would materially affect the appearance health or public view of the eucalyptus tree without prior written approval of City.
- 3. Maintain property in a good state of repair and take all reasonable action to minimize deterioration of the exterior appearance subsequent to rehabilitation.
- 4. Maintain fire and extended insurance coverage as required by the City Risk Manager.
- 5. In the event of damage to property, notify City, pursue in a timely manner all available claims and remedies against any insurance policy covering, and against any person or entity responsible for the damage, and use any money derived from any such claim to restore the damaged part of the property adversely affecting City's interest as soon as possible to its pre-existing condition, subject to the prior written approval of City.
- 6. Construct no structures or add planting which obstructs the view of the building without prior written approval of City.

# City shall

- 7. Have the right to enter upon the property, after prior notice to Grantee, at all reasonable times in order to inspect the property or exercise any or all of its rights.
- 8. Have the right, but not the obligation to make improvements or repairs to the building to preserve and enhance the property's historical authenticity

# ATTACHMENT B SUMMARY OF PROPOSALS

#### 1. BERNARD F. CARTER AND JONATHAN T. CARTER:

#### **Proposers:**

Bernard and Jonathan Carter (father and son) have completed several rehabilitation projects, including a storage house to a commercial office space and rehabilitation of a warehouse project, and they recently constructed their own home. Their architect is Maurice Nespor, who has a complete portfolio of projects and awards. Bernard F. Carter is retired from the commercial real estate business. Jonathan T. Carter is a medical student at Stanford.

#### **Proposed Use and Development:**

Convert the tower to a single family owner-occupied home with a public plaza along Alma Street. The plaza will provide an area to be used by the Arts Commission for the public display of art compatible with the tower. A two-car garage will be built with access from Hawthorne Avenue at a location as far from Alma Street as is practical. The tower will be preserved and improved physically. The proposal includes a site plan only; however, modifications to the tower are expected to include windows and minor items to support floors or other structures within the building.

#### Financial Information:

Proposed purchase price: \$45,000.

Proposed non-monetary consideration: The proposer is offering to place deed restrictions on the property which will provide that one fourth of the net profit from any future sale of the property be contributed for arts or historic preservation purposes in Palo Alto.

Estimated cost of improvements: \$150,000.

Financing: The project is to be financed by a construction and permanent loan.

#### Proposed Development Schedule & Method for Involving the Neighborhood:

The project will begin as soon as possible after the option is granted and completed as soon as is reasonably possible. The proposer will notice and hold a meeting with a rendering of the project and neighborhood input will be sought.

#### **Method of Operation:**

The residence is to be owner-occupied by Jonathan Carter. Owners will maintain the plaza.

#### 2. <u>SUSAN & TIM GRAY</u>:

#### **Proposers:**

Tim Gray and Susan Gray (husband and wife) have 35 years combined experience working with non-profit corporations and a combined fourteen year tenure at Lucille Salter Packard Children's Hospital where they have experience in operations planning, financial management, accounting, conceptual design, staff management, community consensus building, legal negotiations and historical preservation. In addition, Mr. Gray was successful in establishing a community art studio (Harmony Studio) on El Camino Real in the former Casa Real Mexican restaurant. They are collaborating with Russell Meeks of Meeks, Coates and Eaton, an architect with broad areas of experience including historic preservation.

#### **Proposed Use and Development:**

The purpose of the proposal is a use which provides public benefit but which is also self-perpetuating and continues to serve a community need without relying on external funding sources. Because the exact configuration and business mechanics to achieve that ideal balance cannot be determined without feedback from the community and City, the proposers offer three options to serve as choices while the community unifies its vision for the use of the tower. The ground floor in each option is a place for art; essentially the first floor is an indoor extension of a public park with landscaped gardens. If feasible, the pump apparatus of the tower would be preserved. The gardens, public art display and access to the tower base chamber would be a gift to the community.

Option 1: Add two stories to the tower well to make eight. The first floor would be for art and functions as an indoor extension of a public park. Floors two through six would contain two one-bedroom hotel suites per floor (ten in total). The top two floors would be a two story residential unit. The floors would be accessed by an elevator as well as two enclosed staircases to meet code requirements. The elevator and stairs would be situated towards the back of the tower where they would be less visible.

Option 2: No two story addition, but includes all eight stories of Option 1 by shortening the ceilings. Same use as Option 1.

Option 3: Duplicates the configuration of Option 2, but converts the hotel rooms to ten 350 square foot studio apartments. Includes moving a small historic home, scheduled to be demolished, onto the site.

#### **Financial Information:**

Proposed purchase price:

Option 1: \$500,000

Option 2 and 3: \$450,000.

Proposed Non-monetary consideration:

\$ 55,000 in sculpture stone for public gardens \$300,000 ground floor dedicated to public \$250,000 portion of landscape cost for public

garden

Estimated cost of improvements: \$1,120,000.

Assumes a construction loan of \$800,000 with interest at 9% for 12 months.

Financing:

Source of construction loan payment will be proceeds from community investors.

The proposer lists two options for financing: 1) \$500,000 to be raised by investments of not more than 30 people with the balance to be provided by

traditional lending sources; or 2) venture capital.

#### Proposed Development Schedule & Method for Involving the Neighborhood:

Estimated time to exercise the option is 18 months; estimated construction time is 3 to 5 months. Neighborhood and community input would occur during proposal selection process.

#### **Method of Operation:**

The proposed hotel uses would be supported by qualified and trained staff. The proposer would work with local corporations to form ongoing business relationships to assure the hotel's economic viability. The art park and display area will be coordinated with local artist groups and gardening enthusiasts from the neighborhood. The proposers/owners would live on the grounds and manage the operations on an on-going basis.

#### 3. **DONALD A. PHILLIPS:**

#### Proposer:

Donald A. Phillips, a developer since 1970, has developed many projects involving both renovation and new construction and has put together a development team for this project which is well versed in the constraints and opportunities of adaptive reuse and historic preservation. Architects Sandy & Babcock, Inc. and Structural Engineers Culley Associates have worked together numerous times on adaptive reuse and the sensitive seismic retrofitting of historic structures. (Sandy & Babcock, Inc. recently received an Honor Award from the national Trust for Historic Preservation for an adaptive reuse project in San Francisco.) Mr. Phillips' projects include Ocean House and Harbor House, high end 80+unit apartment developments in Monterey, CA; and renovation of historic estates in Los Altos Hills and Atherton. Prior to becoming a developer, he was Assistant Dean at the Stanford Business School.

#### **Proposed Use & Development:**

Convert the tower into a 6-story archive for the purpose of archiving/storing/exhibiting historical materials and construct along the Alma/Hawthorne corner of the site a 2 and 3-story residential structure with six apartment units and a ground floor autocourt for parking. The outward appearance of the tower would change little; modifications to the exterior of the tower would include a tile roof, an elevator, some exterior openings and an open framework staircase which would accommodate building code issues and connect the tower to the residential component. An exit door on each story would open to the stair tower. The archive would provide the public with a facility where they could take historic materials (family records, artifacts, photos, etc.) and receive assistance in organizing family histories and preserving them for their children and grandchildren. The first floor of the archive would be a gallery where historical photos, artifacts and art could be displayed. It could also serve as a meeting room for historical or art associations and would serve as a workroom providing equipment and services essential to the archiving process (duplication, binding, printers, etc.) The six floors above the gallery would be devoted to rentable individual archive spaces and/or additional work areas. The residential structure would be situated at the corner of Alma Street and Hawthorne and would step from two to three stories and include window bays and varying roof elements. It would be organized around a vehicular and pedestrian court and include six market rate apartments: five 2-bedroom units and one 1-bedroom unit.

#### **Financial Information:**

Proposed purchase price:

\$100,000.

Estimated cost of improvements: \$1,638,112.

Financing:

Project would be financed out of personal cash reserves in an amount between

30% and 40% of total project cost. The remainder would be financed under a

long-term conventional loan.

# **Proposed Development Schedule & Method for Involving the Neighborhood:**

Estimated total time from the date the option is awarded to completion of the project is 17 months. The proposer plans to work with City commissions and boards and interested citizens to develop and implement a program designed to insure the tower's preservation and enhancement as a valuable resource for years to come. He would also involve the Arts Commission and various other constituencies in the development of the archive.

#### **Method of Operation:**

During design approval, Mr. Phillips will work with the City and neighborhood associations. Sandy & Babcock Inc. will be responsible for overall design and preparation of working drawings. Culley & Associates will conduct an investigation to determine what needs to be done to bring the tower up to code and insure its structural integrity. Mr. Phillips will own and operate the facility after development.

#### 4. THOMAS & KATHLEEN TAYLOR:

#### **Proposers:**

Tom & Katy Taylor (husband and wife) are Palo Alto residents who have developed two underutilized commercial and industrial properties into residential use. One project, the proposer's current residence, is a 1,940 square foot 3-story single family residence which was built on a small 3,100 square foot commercial lot. The second is a 4,000 square foot commercial building which was converted to residential. Mr. Taylor is a Project/Program manager for Hewlett Packard and has worked in the construction trades. The architect for the project is Cody Anderson Wasney Architects, a Palo Alto firm with experience in historic preservation and rehabilitation and reuse of older buildings. Artist for the project is Trevor Southey, a San Francisco artist who has vised the tower site and whose experience includes creating 18 large public art installations.

#### **Proposed Use & Development:**

Option 1) Tom & Katy Taylor's proposal (live/work space and public plaza):

Convert the tower into a live/work space with a small apartment above a place of business and a 1,500 square foot public plaza along Alma Street. The work studio would be on the ground floor, the apartment in two stories above. Modifications to the exterior of the tower would include enlarging one window, adding four doors (to be placed to minimize the visual impact from the street), and adding a set of stairs to the exterior back side of the tower which would go to the second floor only. The most visible upper half of the tower will remain almost unchanged except for the addition of a cornice on the upper rim which was detailed in the original plan but eliminated due to cost. Of the total exterior of the tower, less than 1% will be impacted by the new window and doors. Few changes would be made to the grounds; the plaza and parking for the site would leave the tower visually unimpeded. The plaza would be open and accessible to the public as would the ground floor of the tower during business hours of the person working/living in that location. The public plaza would include public art and educational materials about the history of the tower and the City. The art work would tie the tower to the plaza in theme and purpose.

# Option 2: Katy & Tom Taylor's proposal (single family residence):

The second proposal by the Taylors is to convert the tower into a single family residence and construct a garage with a small apartment above. The proposal also includes the same public plaza as described in Option 1. The residence would be three stories. Modifications to the exterior of the tower include cutting windows into the walls of the lower portion of the tower, and adding a set of stairs to the exterior. A cornice and widow's walk, which was detailed in the original plan but not actually built, will be added as will upper windows for light and ventilation. Total exterior of the tower to be

impacted by new windows will be 2%. A garage with a residential rental unit will be added to the site near the southeast property line (next to Northface building). In this proposal the first floor of the tower would not have routine public access; however, the owners would be willing to arrange for scheduled showings of the tower interior.

#### Financial:

Proposed purchase price:

Option 1 - minimum of \$1,000 to a maximum of \$100,000 depending upon costs for structural engineer and rehabilitation.

Option 2: minimum of \$50,000 to a maximum of \$200,000 depending upon costs for structural engineer and rehabilitation.

For both options the proposers guarantee the minimum; the maximum is the minimum plus the moneys set aside for the structural engineer and the costs associate with the structural rehabilitation of the tower. Should structural costs exceed the maximum budget, the City would receive the minimum offer. Should the structural costs be less than budget, the City would benefit by that amount.

Proposed non-monetary bid items: (for each option)

\$64,000 - 1500 square feet of land for public plaza (\$42.67 per square foot)

\$30,000 - improvements for plaza

\$25,000 - public art

6,000 - project design and management

\$125,000 - Total Non-monetary bid

Estimated cost of improvements: Option 1 - \$267,000 to \$375,000

Option 2 - \$369,000 to \$643,000.

Financing:

Both options assume a construction loan at 8% for six month period.

Source

of loan payments will be a conventional construction loan or equity

loan from current property.

# Proposed Development Schedule and Method of Involving the Neighborhood:

Both options would take three years to complete. The proposers point out that neighbors have spoken in support of the project, and they intend to work with the Art Commission and local historic groups, the City Utilities Department and Arborist on the site development and plaza.

#### **Proposed Method of Operation:**

Option 1: The property would be a rental targeted toward a craftsperson or professional with a

desire to work adjoining their living space. It could serve as a gallery below for an artist above, a small architectural firm or a designer. The owner would maintain the public plaza.

Option 2: The property would a single family residence for the Taylor family. The apartment over the garage would be rented. The owner would maintain the public plaza.

#### 5. TOWER WELL PARTNERS:

#### **Proposer:**

Tower Well Partners is a partnership between Roxy Rapp & Company and Carrasco & Associates. Mr. Rapp is a Palo Alto retailer and real estate developer who has 9 successful developments along University Avenue and an office/retail development in Mountain View. Mr. Rapp has experience with historic structures through his work on the Decker Oaks project and with the Museum of American Heritage. Mr. Carrasco is an award-winning Palo Alto architect who has served on the City's Planning Commission, Architectural Review Board, the Palo Alto Downtown Study Committee and the Urban Design Committee. His experience includes many historical renovation projects.

#### **Proposed Use & Development:**

In a departure from the City's RFP to purchase the property, TWP proposes a development plan where the City retains and develops the property. The proposal is to preserve the tower and develop the property into a 4-story mixed use facility (1st floor office, remaining floors residential) which will generate income, stated by the proposer to be an ongoing and increasing cash flow, after expenses, starting at \$80,000 per year. The six residential loft apartments will be above the first floor office use (2,500 square feet) and will appeal to apartment dwellers due to design, proximity to downtown and office use on first floor.

The tower will be seismically strengthened and repaired, with 4 windows added to the tower's rusticated base. This rusticated space will house a skylit first floor office space. The first floor will link the Tower to a new 4 story structure, connecting the old to the new for an exciting visual presentation. Tower modification will be virtually undetectable from the exterior with the exception of the four added windows.

#### Financial Information:

The proposer's figures include an estimated construction cost of \$1,556,245, which the City would finance. Annual net income for the first year is estimated to be \$80,000, which, according to the proposer, is more than triple the amount the City would gain in annual interest on the sale of the property at an assumed price of \$350,000. TWP proposes that the additional gains be used to support the maintenance of the University Avenue Downtown Area and Downtown Park North Neighborhood.

#### Proposed Development Schedule & Method for Involving the Neighborhood:

Estimated construction time is 9 months.

#### **Method of Operation:**

The proposal is to develop the Tower Well site into a positive cash flowing asset for the City. Project financing will be provided by the City, property management services provided by TWP, with a development fee paid to TWP for a turnkey project. In the event project revenues are unacceptable, TWP guarantees to purchase the property from the City at a value equal to the existing encumbrances.

#### 6. FOUNDATION FOR GLOBAL COMMUNITY:

As owners of the property on both sides of the Tower, the Foundation for Global Community (Foundation) considered submitting a proposal to develop the property into a landscaped park, but determined it would be beyond its current capabilities. Instead, it has submitted a proposal for an alternative to selling the property. Feeling that it is in the interest of the City to maintain ownership of the property for long term, but as yet unknown, needs, the Foundation is proposing that the City retain ownership and develop it in the short term as an interpretive park with the theme of water. The Foundation suggests it be developed in conjunction with the Historical Society or another appropriate organization and that features include native ground cover, flowers and shrubs, a water sculpture, appropriate identification and that the interior of the tower be a historical interpretive facility.

#### 7. **JAMES WALTER, ARCHITECT:**

Mr. Walter also considered submitting a proposal but did not because he felt there were too many unknown variables involved in the RFP. He presents a design concept for the site and suggests that if the City is interested in seeing more detail on the concept, he will be glad to meet with staff to discuss strategies. The design concept retains the tower, converting it into eight floors of rental apartments. Also on the site is parking, a Native American Arts Center and a vintage cottage rescued from demolition and used for offices and a visitor's center.

#### ATTACHMENT C

#### PROPOSAL EVALUATION CRITERIA

- 1. The extent to which the proposed use satisfies a public need;
- 2. The extent to which the proposed use and development preserves the tower;
- 3. Consistency of the proposed use with existing City goals and objectives (set forth in the Comprehensive Plan, Zoning Ordinance, and Municipal Code);
- 4. The impact of the proposed use (compatible uses, traffic impacts, noise impacts, energy conservation, etc.) upon:
  - 1. The immediate neighborhood,
  - 2. The community generally,
  - 3. The environment;
- 5. The history and assessment of the proposer's ability to carry out the construction and operation of the facility and services as proposed; and
- 6. The monetary consideration to be provided to the City.

# ATTACHMENT D CHART SUMMARY

CRITERIA	CARTER: ONE RESID. UNIT & PLAZA	TAYLOR #1: ONE LIVE/WORK SPACE & PLAZA	TAYLOR #2: ONE RESID. UNIT & PLAZA	PHILLIPS: ARCHIVE & 6 RESID. UNITS	GRAY #1: ONE RESID., TEN HOTEL UNITS & PARK	GRAY #2: ONE RESID., TEN HOTEL UNITS & PARK	GRAY #3: ELEVEN RESID. UNITS & PARK
What is the public benefit?	<pre>l residence; public plaza w/art; 25% of future profit to City</pre>	1 live/work space; public plaza w/art, history; public access to tower	<pre>2 units resid. (1 rental); public plaza w/art, history.</pre>	Archive facility & services & 6 resid. units; public access to tower.	1 resid.unit: 10 hotel rooms; public park w/art; public access to tower.	1 resid.unit; 10 hotel rooms; public park w/art; public access to tower	11 resid. units; public park w/art; public access to tower.
Tower Preservation: What are the changes to the tower & site?	Add necessary windows to tower; 2-car garage to site.	Enlarge 1 window; add 4 doors, exterior stairs, & cornice.	Add windows; exterior stairs; & cornice. Garage w/ apt. on site.	Add doors, staircase, elevator, tile roof. 6 unit resid. bldg. on site.	Add two stories, elevator, staircase, many windows.	Add elevator, staircase, many windows.	Add elevator, staircase, many windows. Small historic house on site.
Is proposal consistent with City goals and objectives?	Comp Plan ok if rezoned. Variance for garage in street setback.	Comp. Plan ok if rezoned. 9 parking spaces required, 1 covered (6 are shown); 3rd floor requires two exit stairs.	Comp. Plan ok if rezoned. Variance for dome and possibly staircase. Shown. Exit stairs required from 4th floor.	Comp. Plan ok if rezoned. Height variance for roof, stairs, elevator and portions of resid. Structure. Variance for street side setback. Need 18 parking spaces where 9 shown. Floors 5 & c require 2 exits, 1 shown. 10% BMR required.	Comp. Plan ok if rezoned. Height variance for stairs and elevator and possibly a setback variance for parking. 16 parking spaces required, 9 shown. Many issues related to building code.	Comp. Plan ok li rezoned. Height variance for stairs and elevator and possibly a setback variance for parking. 19 parking spaces required, 9 shown. Many issues related to building code.	Comp. Plan ok if rezoned. Height variance for top residence, stairs and elevator and possibly a setback variance for parking spaces required, 9 shown. Many issues related to building required.

What is impact on the neighborhood, community, environment.	Minimal impact in traffic or parking, Use compatible.	Minimal impact in traffic or parking. Use compatible.	Minimal impact in traffic or parking. Use compatible.	May impact parking & traffic. Large development for site but well designed.	May impact parking & traffic. Hotel use less compatible than multi- residential.	May impact parking & traffic. Hotel use less compatible than multi- residential.	May impact parking & traffic. Addition of historic house may not be feasible.	
What is history & assessment of Proposer's ability to carry out the project:	Ability to pay purchase price. Commercial real estate background. Experience in rehabilitation &	Ability to pay purchase price. Management & construction background. Developed 2 commercial properties to resid. use. Well qualified local development team.	Ability to pay purchase price. Developer with significant experience. Well qualified development team.	Ability to pay purchase price. Management, financial background; developed community art studio.	Ability to pay purchase price. Management, financial background, developed community art studio.	Ability to pay purchase price. Management, financial background, developed community art studio.	No modifications except those required by RFP. A restoration project manager will be hired.	<u> Paragonal de la companya de la com</u>
What is monetary consideration to the City:	\$45,000	\$1,000 to \$100,000 (depending on costs of structural engineer and rehab.)	\$50,000 to \$200,000 (depending on costs of structural engineer and rehab.)	\$100,000	\$500,000	\$450,000	\$450,000	
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MIRTO / FOURTH PART								

ANET2/towchart