

TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

**DEPARTMENT: PLANNING AND
COMMUNITY ENVIRONMENT**

DATE: OCTOBER 4, 2004

CMR: 436:04

**SUBJECT: ANNUAL PUBLIC REVIEW OF STANFORD UNIVERSITY'S
COMPLIANCE OF THE DEVELOPMENT AGREEMENT FOR
THE SAND HILL CORRIDOR PROJECTS**

RECOMMENDATION

Staff recommends that the City Council:

1. Find that Stanford University has complied in good faith with the terms and conditions of the development agreement.
2. Direct staff to issue a Certificate of Compliance to the University, according to the provision of Section 10(a) of the Agreement, stating that:
 - a. The Agreement remains in effect, and
 - b. Stanford University is not in default.

BACKGROUND

In June 1997, the City Council approved Comprehensive Plan amendments, zoning changes and design applications for the Sand Hill Corridor Projects (Projects). The Projects include the Stanford West Apartments (Apartments), Senior Housing, Shopping Center modifications and a set of roadway modifications, including the widening of Sand Hill Road to four lanes from Santa Cruz Avenue to Arboretum Road and a two-lane extension from Arboretum Road to El Camino Real. A development agreement vesting these approvals was entered into between Stanford and the City and was effective on August 14, 1997. The development agreement requires annual City Council review of Stanford's compliance.

DISCUSSION

The attached June 28, 2004 memo the Stanford Management Company describes Stanford's 2002-03 activities related to implementation of the development agreement. These activities include

- Approval by the City of Palo Alto's Planning Division of BMR rents for 63 leased or renewed units effective October 13, 2002.
- Planting over 80,000 native grass plugs in conformance with the Native Grassland Restoration Report.
- Continued subsidization of the on-site retail store at the Stanford West Apartments to offset the on-going loss from operations.
- Substantial progress in the construction of the Classic Residence by Hyatt; residents are expected to begin occupancy around late spring or early summer of 2005.
- Commencement of the construction on the final segment of the Sand Hill Road Improvements after approvals from the City of Menlo Park (November 12, 2002) and the County of San Mateo (June 10, 2003).
- Approval by the City of Palo Alto of a budget amendment ordinance for the seismic retrofit of the Sand Hill Road Bridge in the amount of \$2,494 to accept and expend state grant funding.

The following changes occurred at the Stanford Shopping Center in 2002/ 2003;

- City of Palo Alto consented on November 17, 2003 to the Assignment and Assumption Agreement between Stanford University and the Simon Property Group for a 51-year lease of the Stanford Shopping Center.
- Sony Style and The Territory Ahead opened in the Stanford Shopping Center.

RESOURCE IMPACT

None.

POLICY IMPLICATIONS

This report does not represent any changes to existing City policies.

ENVIRONMENTAL REVIEW

Issuance of the Certificate of Compliance and consent to an Assignment and Assumption Agreement are not projects under the California Environmental Quality Act, and no environmental assessment is required.

ATTACHMENTS

Attachment A: June 28, 2004 memo from Diane Healey

PREPARED BY: _____
Roland A. Rivera
Planner

DEPARTMENT HEAD REVIEW: _____
STEVE EMSLIE
Director of Planning and Community Environment

CITY MANAGER APPROVAL: _____
EMILY HARRISON
Assistant City Manager

cc: Stanford Management Company (Jim Inglis, Diane Healey)
Stanford University (Larry Horton)
City of Menlo Park (David Boesch)
County of Santa Clara (Ann Draper)
County of San Mateo (Gaye Quinn)
David Newman
Charles Carter
Bill Phillips
Jean Snider